

# ***CASH RENTAL RATES***

2025 FARMLAND VALUES & CASH RENTAL RATES SURVEY RESULTS

Todd Kuethe, Professor, Schrader Endowed Chair in Farmland Economics

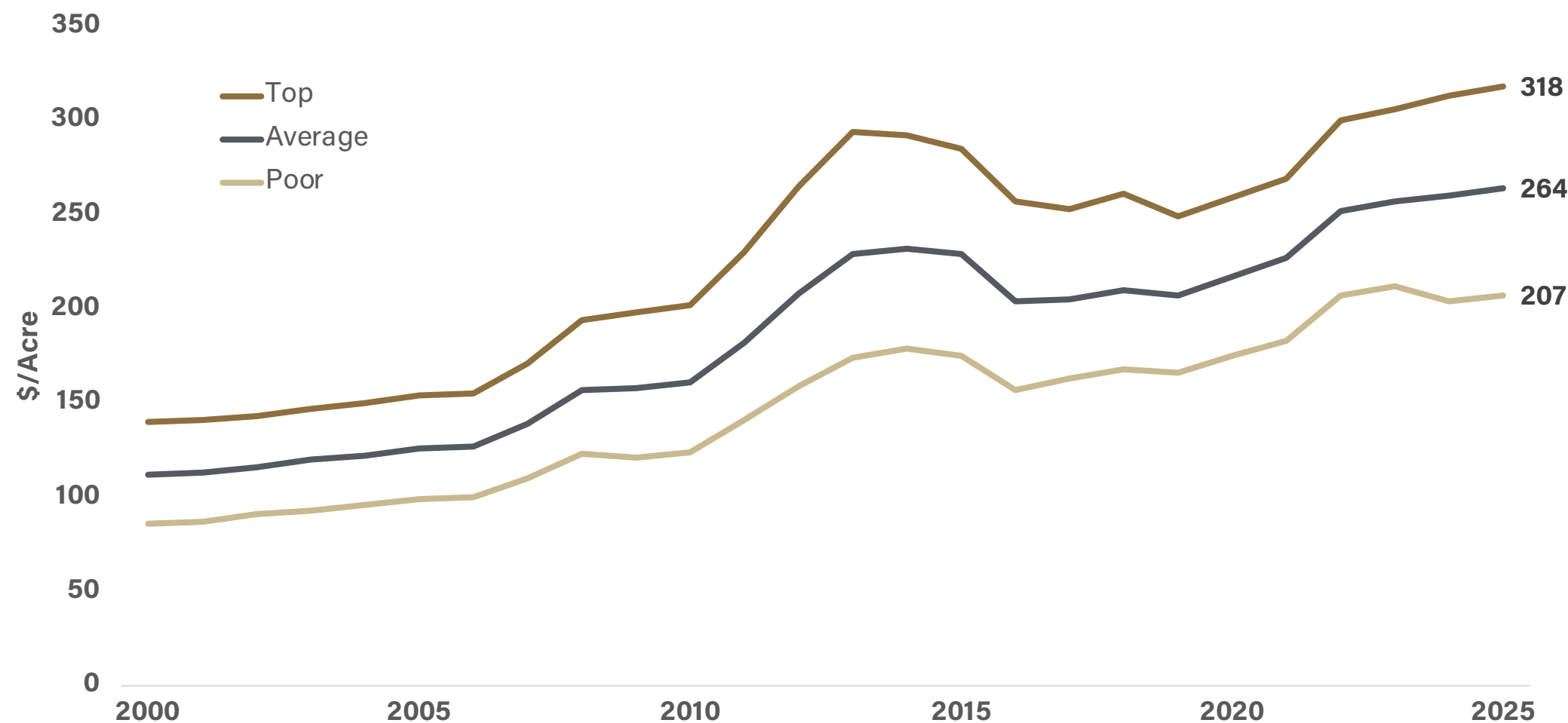
Michael Langemeier, Professor & Director, Center for Commercial Agriculture

# Cash Rent Survey Results and Projections

# *Purdue Farmland Value and Cash Rent Survey*

- Survey conducted annually in June since 1974
- Respondents: rural appraisers, ag lenders, farm managers, and farmers
- Information collected:
  - Land values December 2024, June 2025, December 2025 (projection)
    - Top, average, and poor quality land
  - Annual cash rental rate
  - Long-term corn yield (productivity)

# Cash Rents, 2000 - 2025



Source: 2025 Purdue Land Value and Cash Rent Survey  
Center for Commercial Agriculture

# Indiana Cash Rents

## 2025 Survey Results, State Averages by Land Quality

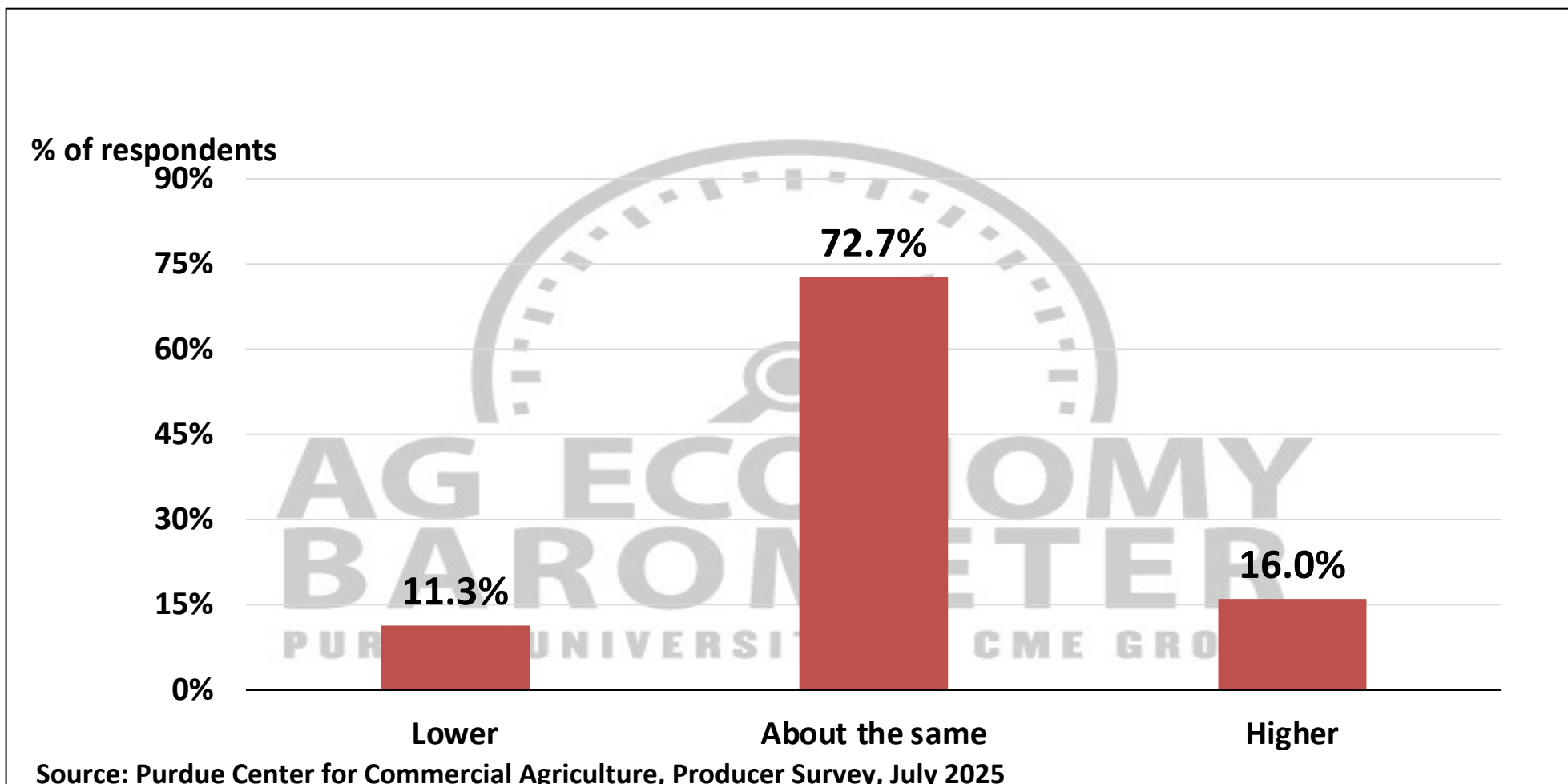
Land Quality	Yield (Bu/Ac)	2024 Value (\$/A)	2025 Value (\$/A)	Percent Change
Top	230	\$313	\$318	1.7%
Average	199	\$260	\$264	1.6%
Poor	170	\$204	\$207	1.5%

# Regional Cash Rents



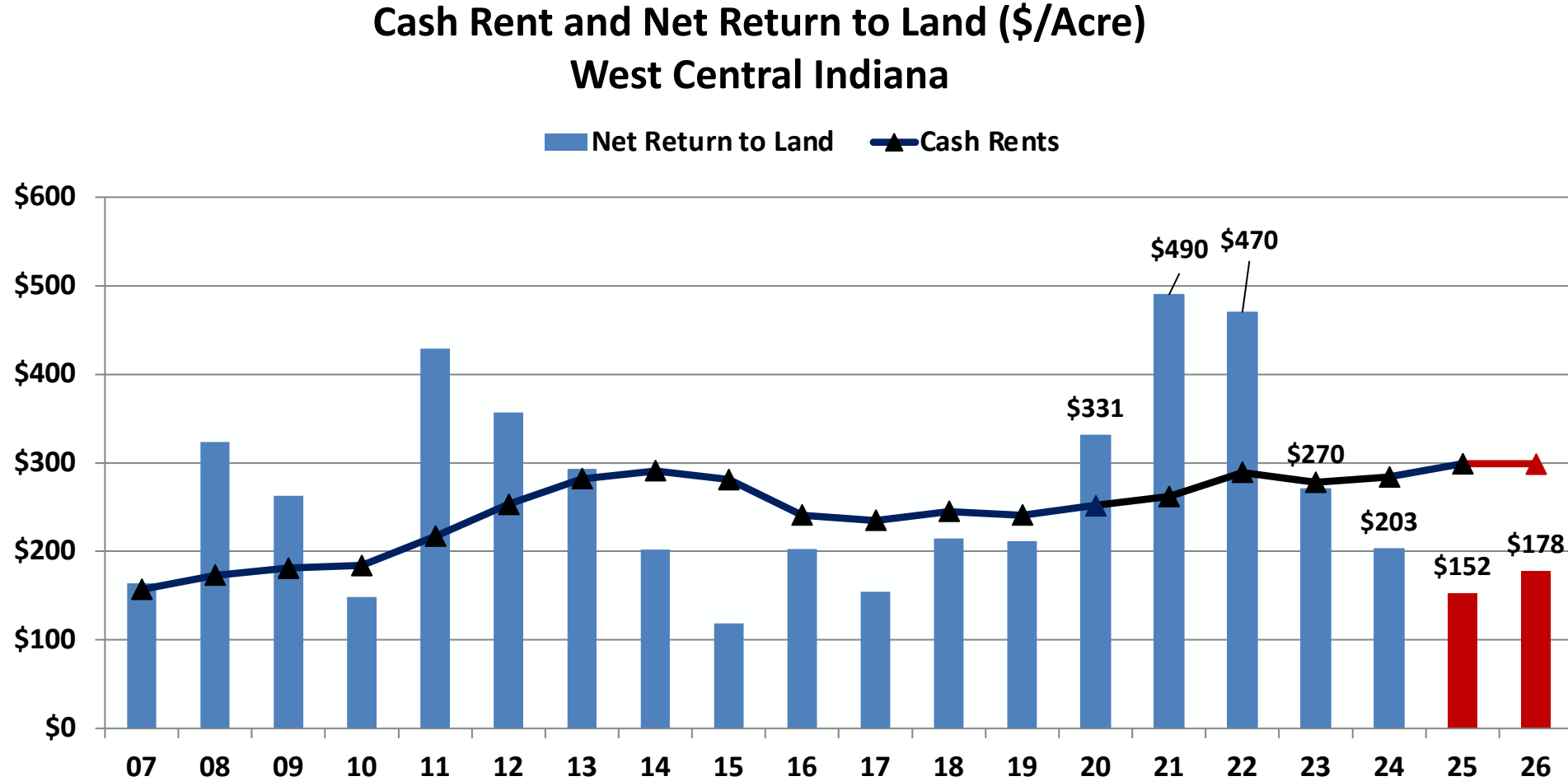
Area	Land Class	Cash Rent	% Change
North	Top	\$313	5.4
	Average	\$247	3.1
	Poor	\$179	-0.3
Northeast	Top	\$306	5.6
	Average	\$253	5.8
	Poor	\$201	6.5
W. Central	Top	\$358	5.6
	Average	\$299	5.0
	Poor	\$239	3.6
Central	Top	\$328	7.4
	Average	\$282	7.2
	Poor	\$223	4.7
Southwest	Top	\$286	-11.4
	Average	\$229	-8.4
	Poor	\$173	-4.6
Southeast	Top	\$248	-6.0
	Average	\$197	-9.9
	Poor	\$167	-5.7

## *Compared to 2025, what are your expectations for cash rents in your area in 2026?*



# Cash Rental Rates and Estimated Net Returns to Land (\$/Acre)

## West Central Indiana, 2007-2026





# Comparison of Alternative Crop Leases

# *Case Farm Example*

- Estimated landowner net returns for 2007 to 2025
  - Crop-Share Lease
  - Fixed Cash Lease
  - Flexible Cash Lease
- Case farm planted 50% corn and 50% soybeans

# *Case Farm Example*

## ■ Crop Share Lease

- Landowner pays 50% of seed, fertilizer, chemical, and crop insurance costs; and 100% of land ownership costs
- Landowner receives 50% of all revenue (crop revenue, government payments, and crop insurance indemnity payments)

## ■ Fixed Cash Lease

- Landowner pays 100% of land ownership costs
- Landowner receives a fixed cash rent (e.g., \$260 per acre)

# *Case Farm Example*

- Flexible Cash Lease
  - Base rent is set at 90% of fixed cash lease
  - Landowner receives a bonus, 50% of gross revenue above non-land cost, plus base rent

# *Case Farm Example*

## ■ Flexible Cash Lease

- 2022:
  - Base rent = \$260 (fixed cash rent = \$289)
  - Non-land cost + base rent = \$906
  - Revenue = \$1,116
  - Bonus =  $(\$1,116 - \$906) \times 0.50 = \$105$  per acre

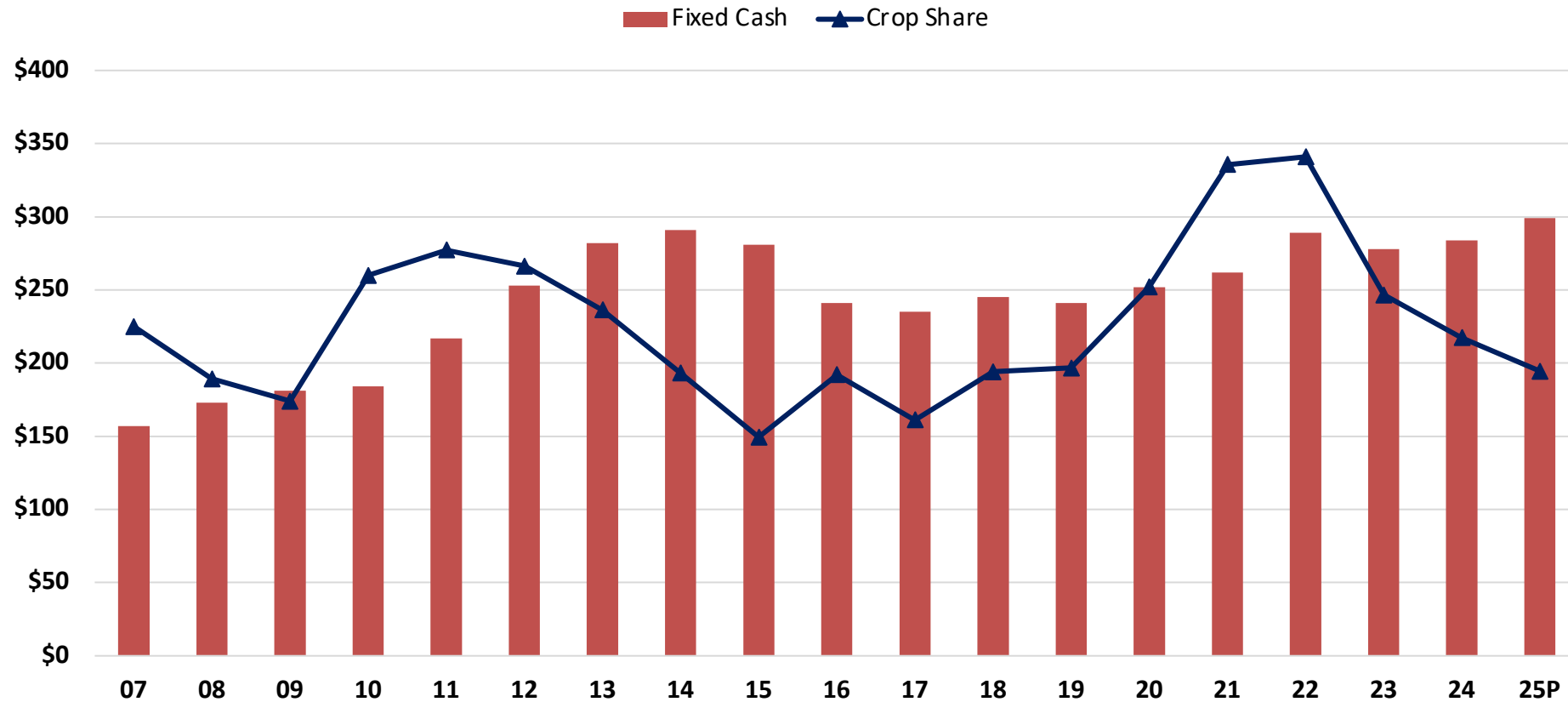
# *Case Farm Example*

## ■ Flexible Cash Lease

- 2024:
  - Base rent = \$256 (fixed cash rent = \$284)
  - Non-land cost + base rent = \$887
  - Revenue = \$834
  - Bonus = \$0
  - Revenue is lower than non-land cost + base rent

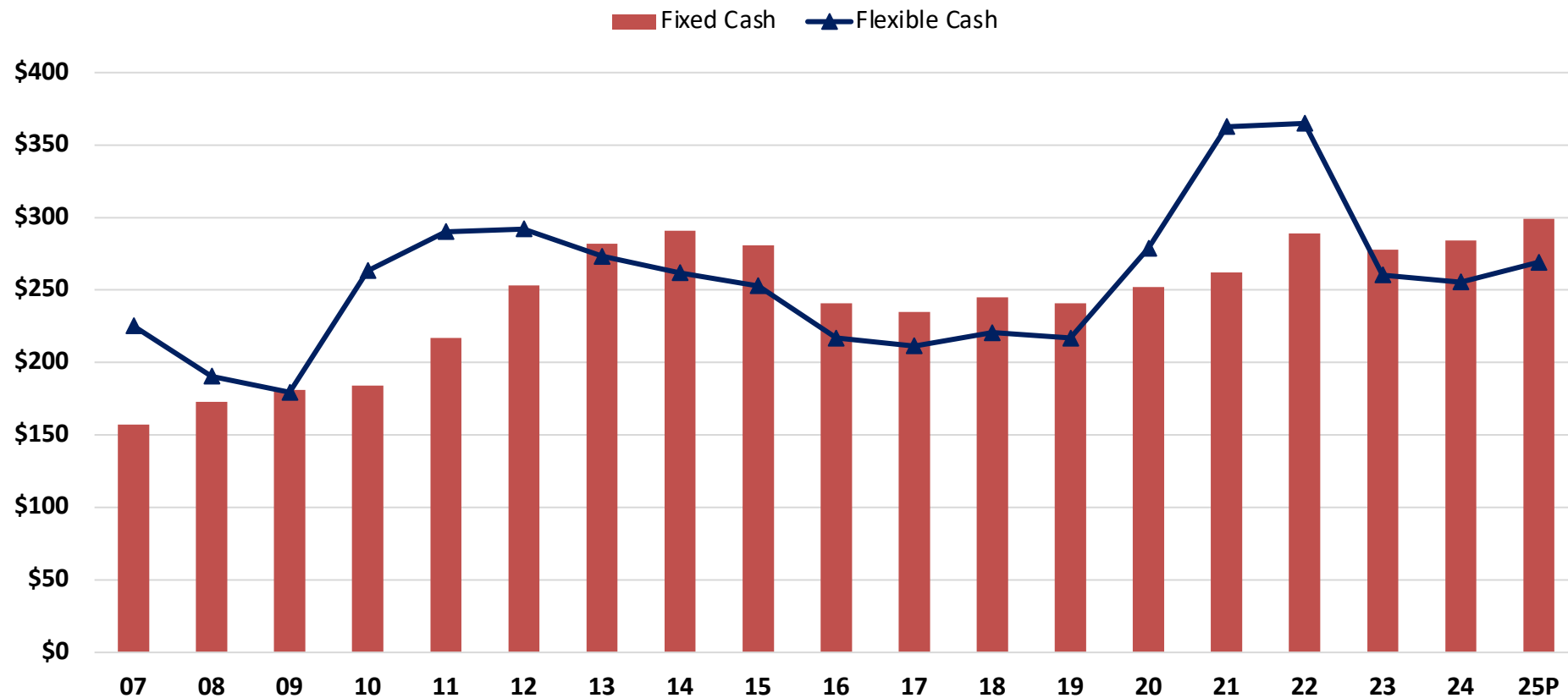
# *Fixed Cash Lease versus Crop Share Lease*

Comparison of Net Returns for Crop Share Lease and Fixed Cash Rent Lease  
(Per Acre Net Returns for Landowners)



# *Fixed Cash Lease versus Flexible Cash Lease*

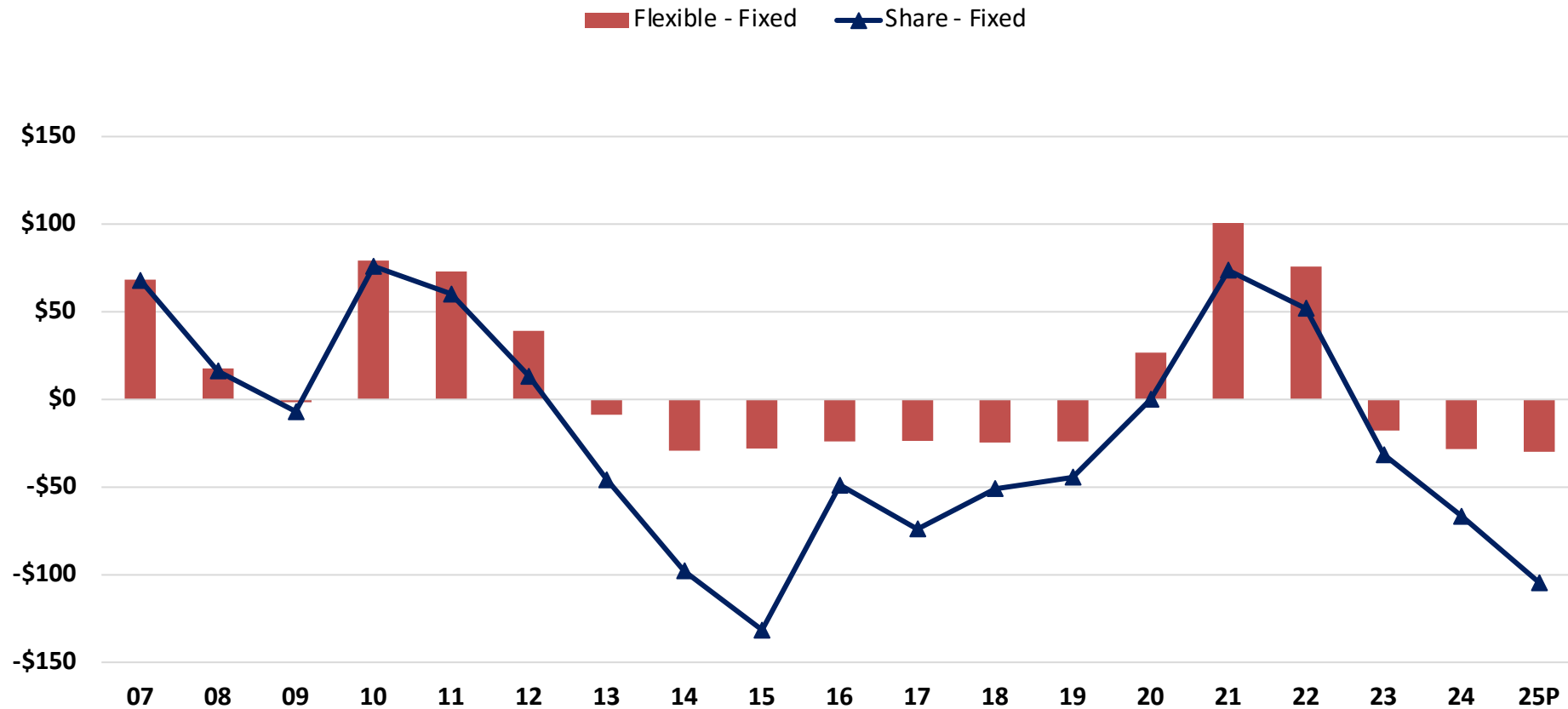
Comparison of Net Returns for Flexible Cash Lease and Fixed Cash Rent Lease  
(Per Acre Net Returns for Landowner)





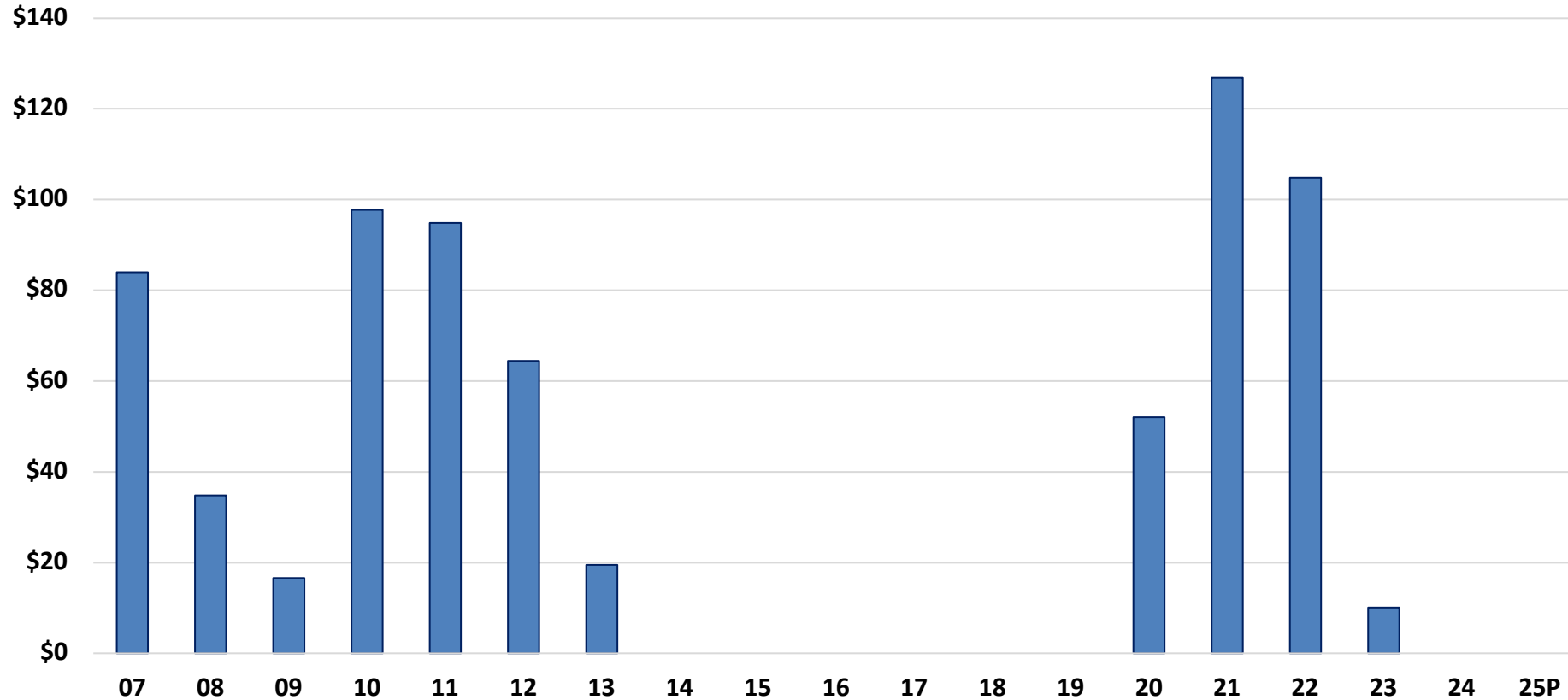
# Fixed Cash Lease versus Crop Share and Flexible Cash Leases

Differences Between Fixed Cash Rent Lease and Other Lease Arrangements  
(Per Acre Net Returns for Landowner)



# *Bonus Payments for Flexible Cash Lease*

Bonus Payments (Per Acre) for Flex Cash Lease Arrangement



Full report available on the Center for Commercial Agriculture's website

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