



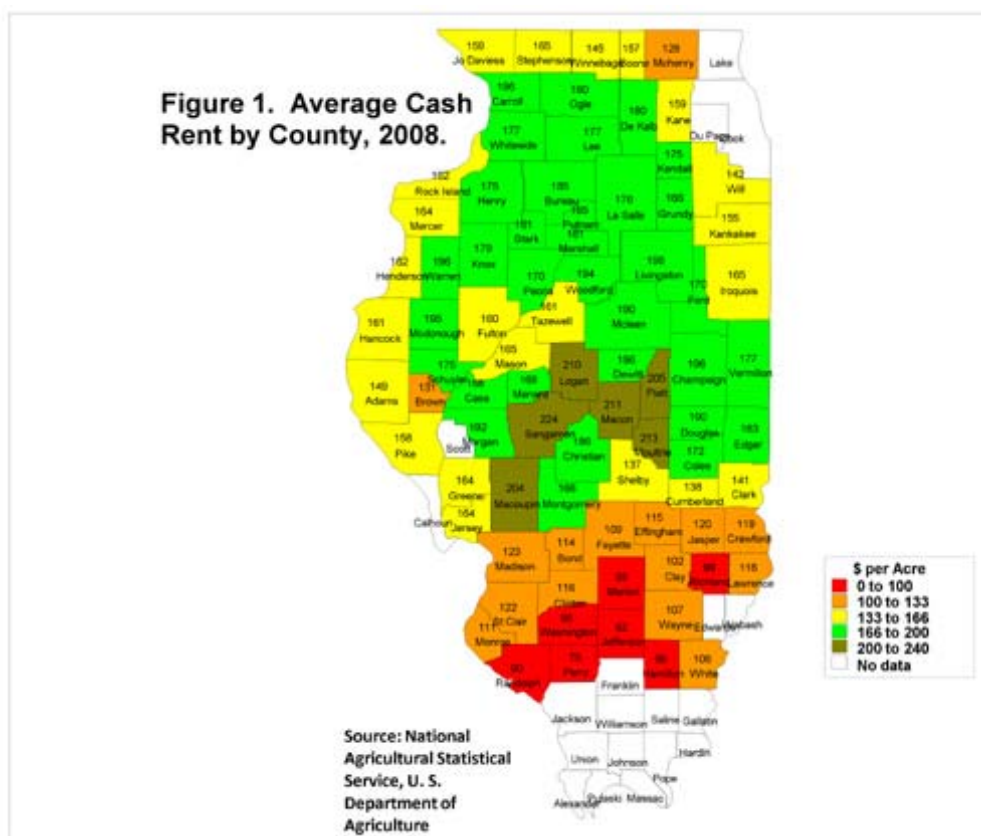
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AVERAGE CASH RENTS PER COUNTY IN 2008

The National Agricultural Statistical Service (NASS), an agency of the U.S. Department of Agriculture, released average cash rents for 2008 by county. NASS has conducted a survey and reports cash rents for counties in which they sufficient responses exist to estimate averages. County rents are available from the "Quick Stats" option available from the home page of NASS (www.nass.usda.gov). A map of rents for Illinois is available at www.nass.usda.gov/Statistics_by_State/Illinois/Publications/Current_News_Release/Pr-2009-April-Cash-Rents.pdf.

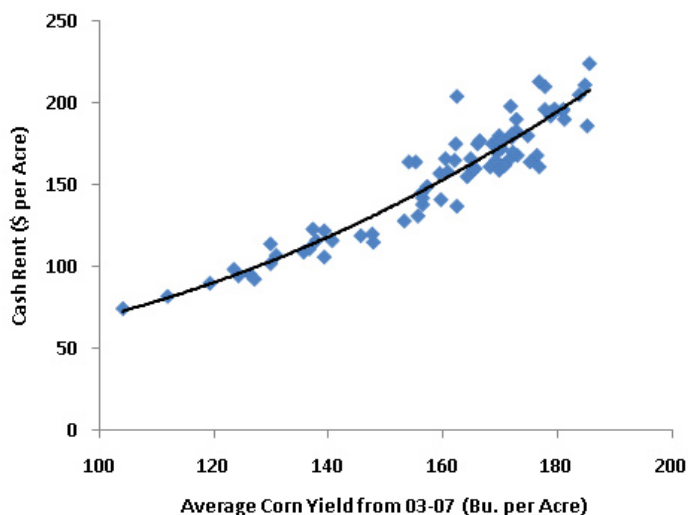
Illinois Cash Rents in 2008

Average county rents in Illinois range from a low of \$74.50 per acre in Perry County up to a high of \$224 per acre in Sangamon County (see Figure 1). The highest average cash rents are in the center part of Illinois. Six counties in the center of Illinois have rents above \$200: Sangamon County (\$224 per acre), Moultrie (\$213), Macon (\$211), Logan (\$210), Piatt (\$205) and Macoupin (\$204). Except for counties on the state border, most counties in the northern and central parts of Illinois have rents in the \$166 to \$200 per acre range. Most counties on the northern border, western border (above Madison county), and eastern border (above Crawford county) have rents between \$133 and 166 per acre. Counties in southern Illinois have rents below \$133 per acre. Seven counties in southern Illinois have rents below \$100 per acre: Richland County (\$99 per acre), Hamilton (\$96), Washington (\$95), Marion (\$93), Randolph (\$90), Jefferson (\$82), and Perry (\$75).



Much of the difference in county cash rents is related to land productivity. To illustrate, five-year average corn yields from 2003 through 2007 have been calculated and statistically related to average county rents. In general, cash rents increase as the average county yield increases (see Figure 2). The solid line in Figure 2 shows a statistical relationship between cash rents and average corn yields. This relationship implies a \$69 per acre cash rent for an average corn yield of 100 bushel per acre, a \$90 per acre cash rent for an 120 bushel yield, a \$118 per acre cash rent for an 140 bushel yield, a \$153 per acre cash rent for an 160 bushel yield, and a \$194 per acre cash rent for an 180 bushel yield.

Figure 2. Average County Cash Rents by Five-Year Average County Yields, Illinois, 2008.



The statistical relationship shown in Figure 2 comes after several years of agricultural returns above historical averages, leading to rising cash rents. The relationship between yields and rents will change as economic conditions change.

Variability within County

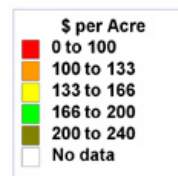
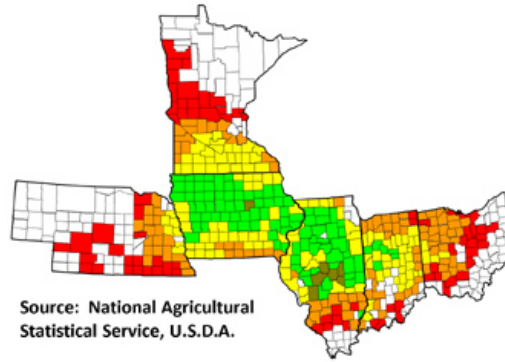
Farm rents vary from average cash rents. Results from Illinois Farm Business Farm Management (FBFM) indicate that a range that captures 80% of the rents in a county is quite wide. About 10% of the cash rents will be \$60 per acre below the average and 10% of the cash rents will be \$40 higher than the average. Take McLean County with an average cash rent of \$190 per acre as an example. Ten percent of rents will be below \$130 per acre (\$190 - \$60) and 10% of the rents will be above \$230 per acre (\$190 average + \$40 upper limit). Hence, 80% of the farm rents will fall between \$130 per acre and \$230 per acre.

Farm-level rents vary because of differences in soil productivity and other factors impacting profitability. Moreover, lease terms and relationship between landlords and tenants influence cash rents. As a result, average cash rents should only be relied on as general guidelines for rents within a county.

Cash Rents across the Corn Belt

Cash rents vary across the Corn Belt. Figure 3 shows cash rents for non-irrigated cropland in counties having over 20,000 acres of non-irrigated corn production in 2008. In general, higher average cash rents are in Illinois, Iowa, and parts of central Indiana. Lower cash rents occur in Minnesota, Nebraska, and Ohio. Generally, higher cash rents are associated with higher land productivity and vice versa.

**Figure 3. Average County Rents
Across the Corn Belt, 2008.**



Summary

Average county rents range considerably in 2008, with much of the variability related to land productivity. In Illinois, a statistical relationship between five-year average corn yields and 2008 county cash rents implies that an 100 bushel average corn yield results in a county average rent of \$69 per acre, an 120 bushel corn yield has a \$90 cash rent, an 140 bushel yield has an \$118 per acre cash rent, an 160 bushel corn yield has an \$153 per acre cash rent, and an 180 bushel corn yield has an \$194 per acre cash rent. Farm-level rents considerably from averages. Hence, average county cash rents should be taken as very general guidelines. Moreover, cash rents will change over time as economic conditions change.

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