

Tuscarawas County Land Rental Guide for Landowners and Tenants

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“What is the land rental rate in Tuscarawas County?” This is a question I receive many times each year as landowners and tenants try to determine a fair rental rate. While the question may seem fairly basic, there are a number of variables that have an effect on calculating a rental rate. Each rental agreement is negotiable between the landlord and tenant depending upon how they address the many variables. This fact sheet addresses some of the more common factors to consider when determining a fair rental rate.



A diverse mix of corn, soybeans, wheat, alfalfa, and grass hay are grown annually in Tuscarawas County

What Cash Rental Rate is Fair?

Land ownership costs are summarized using the DIRT five acronym. The ownership costs include Depreciation, Interest, Return on Investment, Taxes, and Insurance. Most landowners would, at a minimum, like to recover their property tax. Your annual tax statement can help you determine the amount of rent needed to cover the property taxes. For instance, assume your property tax for 15 acres is \$317 annually. This translates into \$21.13 for the landowner to recover just the property tax.

In addition to the DIRT five, the landowner should also consider the value of the tenant. It's hard to assign a dollar value but consider the value of things a tenant does for the landlord such as weed control, snow removal, and other tasks. Especially if you are happy with your present tenant, be cautious if approached by someone offering more money. Will a new tenant provide the same or greater level of service? Will a new tenant provide the correct amount of fertilizer and lime to maintain soil fertility levels? From the tenant perspective, the input cost of production, productivity, marketing, transportation, capital investment, and a return to labor and management must be covered. The tenant should determine the value of extra things they may do for the landlord that adds or maintains value of the land to the landowner.

Factors That Determine Rental Value

All land in Tuscarawas County is not of equal value. Many factors need to be considered when negotiating a rental value. These factors include land productivity, site characteristics, previous crop, and supply and demand.

Land Productivity – Topography, soil type, pH, and soil fertility all influence productivity. The Tuscarawas County Soil & Water Conservation District, Natural Resources Conservation District, or a copy of the Tuscarawas County Soil Survey can answer specific questions about soil characteristics. “Don’t Guess – Soil Test” is an important slogan to remember. A soil test will determine the soil pH and fertility levels. Rents should be adjusted for land that will require a significant investment in lime and/or fertilizer. Land that is poorly drained will rent for less than land that is well drained.

Site Characteristics – Location, location, location. A close proximity to land already owned or rented is more attractive. Larger tracts of land will justify a higher rental rate. A field surrounded by houses or other development will diminish the rental value.



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Previous Cropping History - Land that has been fallow for years or is filled with undesirable vegetation will be of less value. Land that has been cropped recently and produces higher yields will bring a greater rate.

Supply & Demand - The more farmers interested in renting the land for agricultural uses, the higher the land rent.

Tuscarawas County Land Rental Rates

Land rent in Tuscarawas County ranges from little (sometimes nothing) to well over \$100 per acre. According to the National Agricultural Statistics Service (NASS 2022), land in Tuscarawas County is currently renting for \$72.00 per acre. This is an average, which includes low producing land and high producing land. Each landlord and tenant should negotiate on a case-by-case basis.

Land rental information from NASS 2022 can be found here: https://www.nass.usda.gov/Statistics_by_State/Ohio/Publications/County_Estimates/2022/2022_OH_cashrent_CE.pdf.

Average of Rental Rates in NASS Reporting District 60

<u>Location</u>	<u>Cropland</u>	<u>Pasture</u>
Belmont County	-----	\$11.50/ac
Carroll County	\$57.50/ac	\$48.50/ac
Coshocton County	\$96.00/ac	\$28.00/ac
Harrison County	\$46.50/ac	\$24.00/ac
Holmes County	\$99.50/ac	\$52.00/ac
Jefferson County	\$31.00/ac	\$24.50/ac
Tuscarawas County	\$75.50/ac	\$23.50/ac
State of Ohio	\$1670/ac	\$25.50/ac

Other Leases

While crop leases generate the most questions, there are other forms of crop leasing (share, flex, etc.) that may be of interest. Information about leasing agreements for buildings and livestock also is available. Contact your local OSU Extension office for more details.

NOTE: The author is not an attorney, and this publication is not intended to provide legal advice. All legal questions should be directed to an attorney familiar with lease contracts.

Legal Issues

Ohio State University Extension is fortunate to have Peggy Hall as Director, Agriculture and Resource Law Program. The program provides research and outreach on legal issues affecting agriculture.

A variety of Law Bulletins are available from the Farm Leasing Law Library and include the following discussions: What's in Your Farmland Lease?, Creating an Enforceable Farm Lease, Protecting Interests in a Verbal Farm Lease Situation, Leasing Your Land for Hunting, Crop Share Leasing in Ohio, and Legal Aspects of Ohio Farmland leases.

Enforceability of Leases

All legal questions should be answered by a competent attorney. Some general legal requirements for lease enforceability that both a tenant and landlord should be aware of based on Ohio law are based on the length of the agreement:

Term	Legal Requirements
Up to 1 Year	Verbal can be enforceable
1-2 Years	Must be in writing and signed by both parties
2-3 Years by	Must be in writing, signed both parties, and recorded in the county where the land is located
3 Years of More	Must be in writing, signed by both parties before two witnesses, and recorded in the county where the land is located

For More Information

United States Department of Agriculture, National Agricultural Statistics Service (NASS 2022), https://www.nass.usda.gov/Statistics_by_State/Ohio/Publications/County_Estimates/2022/2022_OH_cashrent_CE.pdf

Ag Lease 101 – <https://aglease101.org>

Ohio State University Extension Agricultural & Resource Law Program, Peggy Hall, OSU Extension Legal Educator <https://farmoffice.osu.edu>