

Mississippi Agricultural Land Values and Rental Rates

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INTRODUCTION

Mississippi landowners were surveyed in the fall and winter of 2007-08 regarding land ownership, land values, and rental rates. This report summarizes the findings from that survey. The purpose of the study was to obtain pertinent information about agricultural and rural land in Mississippi and is viewed as a follow-up to a previous study conducted in 1999 (Wolfe, 2000). The sample population consisted of Farm Bureau board members from each county in Mississippi. A total of 400 mail surveys were mailed in mid-December of 2007. Tabulation of results began in March 2008 with a total of 205 surveys being returned (response rate of 51%).

In addition to questions about land values and rental rates, the survey queried board members about types of agricultural practices, conservation programs, length and type of rental arrangements, and demographics concerning residence and age.

Results are reported as state totals (Tables 1–4) and by National Agricultural Statistics Service (NASS) Reporting Districts (Tables 5–9). NASS Reporting Districts represent homogenous portions of the state and consist of 5–15 counties depending on the district. Therefore, districts with more counties will have a larger number of responses.

STATEWIDE RESULTS

Across the state, 98% of the respondents were landowners. The average age of the respondents was 60 years, slightly older than the average of 57.2 years reported in the 2002 Census of Agriculture. Agricultural enterprises accounted for an average of 63% of their income coming from (median of 70% and mode of 100%). Table 1 reports survey results for statewide total

acres owned and the breakdown by category for those acres. Grassland acres include both pasture and hay ground. Also reported in Table 1 are the average acreages for each land category for landowners who owned that type of land.

Of those who owned land, 24% reported leasing a portion of that land to others. Table 2 shows rental rates

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Table 1. Statewide total acres and average acres owned, by category.

Total acres	Total row crop acres	Total grassland acres	Total timber acres	Total conservation program acres	Avg. acres	Avg. row crop acres	Avg. grassland acres	Avg. timber acres	Avg. conservation program acres
181,641	76,802	38,733	52,202	8,255	922	725	260	339	156

Table 2. Statewide average annual rental rates and length of lease received by survey respondents.

Row crop land cash rent	Row crop land share	Grassland cash rent	Conservation program rent payment	Length of lease
\$/A 62	%/A 24	\$/A 23	\$/A 39	years ¹ 1.86
¹ Non-conservation program land.				

reported by respondents. The average cash rental rate for row crop land was \$62 per acre, slightly less than reported in 2007 by the Mississippi Agricultural Statistics Service. Only 4.75% of the respondents reported renting row crop land on a share rental arrangement with an average share rental agreement of 24%. The average length of lease arrangements was 1.86 years. The average length of row crop leases reported was 2.5 years. Length of conservation program leases averaged 12.5 years.

Table 3 reports survey responses to questions related to renting land from others. Statewide, 58% of respondents reported renting land from others. Row crop and grassland rental rates paid by respondents were slightly higher than those received. Conservation program rental rates were significantly lower as would be

expected because most conservation land was used for hunting. The average lease agreements were also for longer periods of time, with several row crop lessees reporting 10-year arrangements.

Statewide, 19.6% of the respondents reported buying or selling property in the last 2 years. Table 4 reports the findings related to statewide agricultural land sales. Almost all land sales resulted in the land remaining in agriculture. Some common reasons for land sale/purchases reported by respondents were joining existing farmland, high value due to urban development, and the need to increase farm size. Grassland sales were reported to be about \$300 per acre higher than cropland sales, consistent with sales values reported in 2007 by the Mississippi Agricultural Statistics Service.

Table 3. Statewide average annual rental rates and length of lease paid by survey respondents.

Row crop land Cash rent	Row crop land share	Grassland cash rent	Conservation program rent payment	Length of lease
\$/A 70	%/A 33	\$/A 30	\$/A 12.50	years ¹ 3.12
¹ Non-conservation program land.				

Table 4. Statewide average land sale prices and land use.

Row crop land	Grassland	Timber	Conservation program	Remain agricultural
\$ 1,938	\$ 2,405	\$ 1,954	None reported	% 98

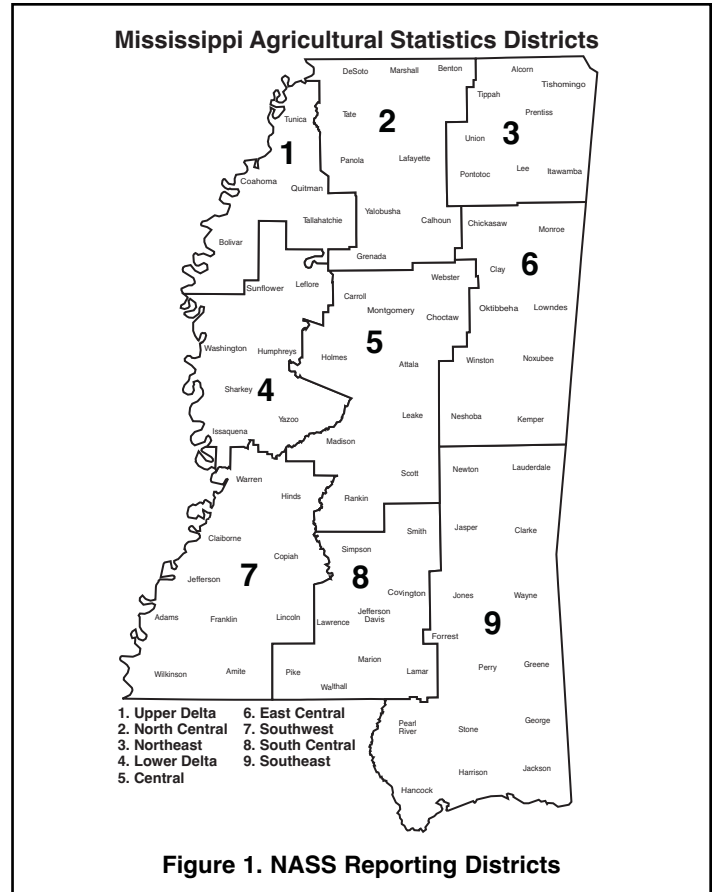
DISTRICT RESULTS

Respondents to the survey from NASS Districts 1 and 4 revealed a heavier row crop agricultural dominance (Table 5). District 8 had the highest percentage of grassland acreage. District 7 had the highest percentage of timberland acreage, while District 9 had the highest percentage of conservation program acreage. Figure 1 shows counties in each district.

Districts 1 and 4, those heavily dominated by row crop agriculture, had the highest average acreage owned (Table 6). District 6 had the highest average timberland acreage owned, as well as the highest average conservation program acreage owned.

Row crop land rental rates received were highest in District 6 followed by Districts 4 and 1, respectively (Table 7). District 4 had the highest grassland rental rates. Average row crop rental rates paid by survey respondents were highest in Districts 4, 5, and 1, respectively (Table 8).

Average land sale prices were highest in Districts 2, 6, and 9, respectively, for row crop land (Table 9). Grassland sales were highest in Districts 9 and 2, respectively. Timberland sales were highest in Districts 2 and 9. The influence of urban development may well have contributed to land sale prices in Districts 2 and 9.



District	Total acres	Pct. row crop	Pct. grassland	Pct. timber	Pct. conservation program
1	23,005	77	14	3	4
2	7,408	45	20	27	5
3	10,560	39	29	25	5
4	36,416	83	6	5	3
5	9,143	20	24	5	1
6	11,065	11	19	53	6
7	13,212	9	20	69	1
8	6,062	6	49	41	2
9	4,701	26	18	40	11

District	Avg. total acres	Avg. row crop acres	Avg. grassland acres	Avg. timber acres	Avg. conservation program acres
1	1,770	1,493	*1	122	190
2	570	371	168	197	70
3	880	456	279	237	70
4	2,801	2,525	*1	280	289
5	703	308	224	413	45
6	922	250	210	976	314
7	1,016	393	229	706	27
8	505	127	250	279	135
9	392	246	94	207	175

*1 = Not reported for identification reasons

Table 7. District land rental rates received by landowners and length of lease.

District	Row crop		Average share	Grassland average cash	Length of lease
	Cash				
	Average	Range			
	\$	\$	%	\$	years
1	78	65-90	none reported	none reported	3
2	53	30-90	22	12	3
3	42	25-50	22	47	4
4	80	75-129	none reported	none reported	1.7
5	75	60-100	30	20	none reported
6	98	75-120	none reported	30	1.5
7	30	10-50	22	11	1
8	* ₁	* ₁	none reported	none reported	* ₁
9	* ₁	* ₁	none reported	none reported	1

*₁ = Not reported for identification reasons**Table 8. District land rental rates paid by survey respondents and length of lease.**

District	Row crop		Average share	Grassland average cash	Length of lease
	Cash				
	Average	Range			
	\$	\$	%	\$	years
1	72	35-100	none reported	none reported	3
2	55	30-110	22	19	1.6
3	42	35-50	23	20	2.2
4	93	60-110	23	none reported	1.7
5	89	30-140	24	36	3.5
6	65	20-120	20	15	2.6
7	44	20-60	15	13.50	2.4
8	* ₁	* ₁	* ₁	18.50	1.5
9	45	30-75	none reported	19	4.3

*₁ = Not reported for identification reasons**Table 9. District average land sale prices, ranges, and land uses by category.**

District	Row crop		Grassland		Timber		Conservation program		Remain agricultural
	Average	Range	Average	Range	Average	Range	Average	Range	
	\$	\$	\$	\$	\$	\$	\$	\$	%
1	2,025	1,500-2,500	none reported	none reported	none reported	none reported	none reported	none reported	98
2	2,713	1,250-4,500	3,250	* ₁	5,217	* ₁	3,050	* ₁	100
3	1,025	800-1,250	none reported	none reported	* ₁	* ₁	none reported	none reported	100
4	1,700	1,000-2,400	none reported	none reported	none reported	none reported	none reported	none reported	100
5	* ₁	* ₁	1,633	1,100-2,500	967	* ₁	none reported	none reported	96
6	2,600	2,200-3,000	1,750	1,500-2,000	2,500	2,000-3,000	* ₁	* ₁	100
7	none reported	none reported	1,813	625-3,000	1,592	625-2,750	none reported	none reported	100
8	* ₁	* ₁	1,350	1,200-1,500	1,268	800-1,750	none reported	none reported	94
9	2,325	1,400-4,500	4,667	1,900-7,000	3,825	3,150-4,500	none reported	none reported	100

*₁ = Not reported for identification reasons

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Limitations: Land values, whether rental rates or sales, are often geographically specific even within the same state. Thus, statewide results may have limited meaning to individual landowners. Therefore, district-specific results need to be considered. However, readers should be advised that district results have limited observations, and thus ranges should be considered along with averages.

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