

FARM BUILDING RENT GUIDELINES

Developed by: Mervin L. Freeman, Area Extension Agent, Farm Management
University of Minnesota, Minnesota Extension Service
Rochester, Minnesota

Rule of Thumb Guidelines for Yearly Cash Rent Charges:

Facilities:

Old: 6-8% of original investment.
New: 5-6% of original investment cost.
Renter: Pays all utility costs incurred, plus minor building repair and equipment maintenance costs.
Owner: Pays real estate taxes, fire and wind insurance, building remodeling costs and replacement costs of barn cleaners, silo unloaders and livestock equipment.
Both: Carry their own farm liability insurance.

PLEASE NOTE: Since 1985, rents are down on livestock buildings and facilities while crop storage has remained quite strong. The suggested rent ranges are for S.E. Minnesota. They should only be used as a basis for starting landlord/tenant negotiations.

House:

Small, poorly insulated, long way from major city - \$125-\$250/month.
Larger, well insulated, good location - \$250-\$400/month.

Dairy Facilities: (Rents: down rather sharply since 1985)

Milking, housing, feed storage, manure handling and storage facilities, housing and heifer replacement facilities rental range = \$90-\$180 per dairy cow unit/year.

Average: \$100-\$130/dairy cow unit/year or \$9-\$11/month.

Modern: \$150/dairy cow unit/year or \$12-\$14/month.

Hog Facilities:

Farrow-to-Finish: Modern = \$6-\$8/head sold
Average = \$3-\$5/head sold

Feeder Pigs: Modern = \$2-\$3/head sold
Average = \$1-\$2/head sold

Feeder Cattle: (rents down slightly since 1985)

Range: \$1-\$2/head/month or 3-5 cents/day

This archival publication may not reflect current scientific knowledge or recommendations.
Current information available from University of Minnesota Extension: <http://www.extension.umn.edu>

Machine Shed:

Old: smaller, low ceilings, small doors, and dirt floor equals
\$.15-\$.20/sq.ft./year.
New: larger, high ceilings, large doors, and cement floor equals
\$.20-\$.30/sp.ft./year.
Average: \$.20-\$.25/sq.ft./year.

Grain Storage: (rents: demand up, rates up slightly in recent years)

Should have the capabilities to cool grain down in fall and warm it up
in the spring. Should also keep grain in good condition.

Old: smaller, high labor requirements and larger grain losses equals 1-1
1/2 cents/bu./month and 6 to 10 cents minimum/year.
(may only be good for winter storage).

New: larger, good elevator grain movement system and small amount of
grain loss equals 2-2 1/2 cents/bu./month and 10 to 14 cents
minimum/year.

Corn Silage:

Old: \$1.00/ton

Average: \$1.50/ton

New: \$1.50-\$2.00/ton

Pasture Rent: (rent: down significantly from 1985)

The carrying capacity of pasture varies a lot. Thus, it is easier to
rent it as follows:

Beef cow with calf running at its side:

\$6-\$7/month normal - it can range \$4-\$9/month

Herd bull: same as above

Holstein dairy replacement heifer:

About 1/2 the rate of beef cows for 700-800# heifers

Average: \$3-\$4/month/head; price varies with size and age of animal.

The University of Minnesota, including the Minnesota Extension Service, is
committed to the policy that all persons shall have equal access to its
programs, facilities, and employment without regard to race, religion, color,
sex, national origin, handicap, age or veteran status.