UNIVERSITY of GUELPH
DEPARTMENT OF FOOD, AGRICULTURAL AND RESOURCE ECONOMICS

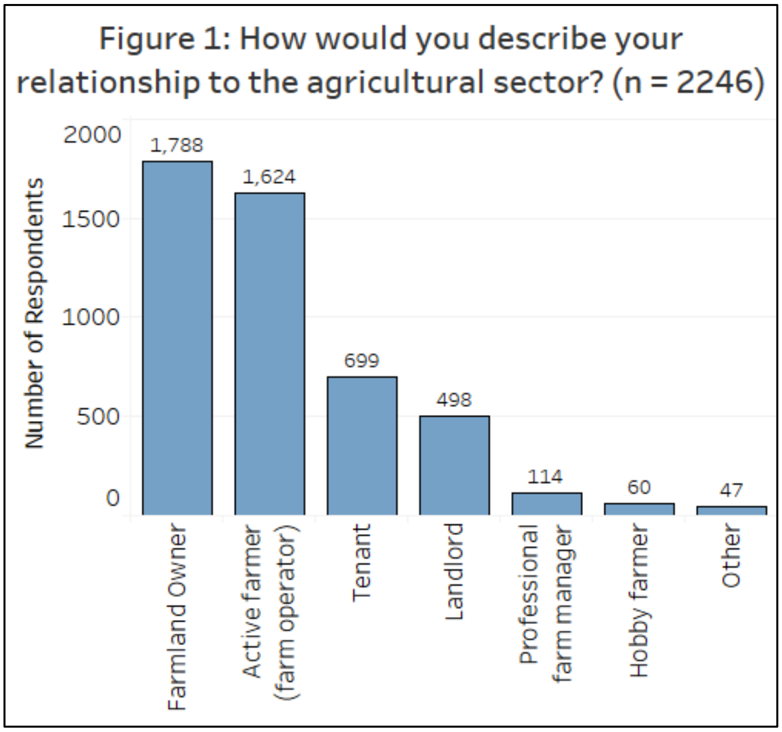
OAC Ontario Agricultural College
Food Agriculture Communities Environment

Professor Brady Deaton Jr.
McCain Family Chair in Food Security
Email: bdeaton@uoguelph.ca
Phone: 519-824-4120 x52765

2016 Farmland Value and Rental Value Survey

Summary of Findings

January 2017



Note: Categories with less than 20 respondents are omitted from the figure. These omitted categories include: Realtor (14), Agricultural Lender (14), Government Employee (agricultural sector) (10) and Assessor (6).

Survey Description

The data provided in this report is from 2,246 Ontario respondents who participated in an online survey between January 13th and 22nd, 2017. Many respondents did not answer specific questions, so we provide you with the number of responses for each question.

Respondents were contacted by email with the support of OFA. The cooperation of the OFA, OMAFRA, and the farmers who responded to this survey is greatly appreciated. However, any mistakes in the survey should be attributed to the above contact person.

When interpreting the results, please keep in mind that they are not necessarily representative of the region. Put simply, respondents were not randomly sampled, and the findings reflect responses of those who voluntarily answered the survey. Also, please keep in mind that parcel-level rental rates and farmland values vary considerably depending on parcel characteristics. Finally, these results are derived from a survey of farmers, not actual farm sales.

Additional survey updates will be provided on this website and on twitter: @BradyDeatonJr

Survey Limitation: The structure of the survey is biased toward responses of farmland renters. In order to complete the survey, respondents were required to select the region where they rent farmland. Though respondents, who did not rent land filled out the survey, we believe that farmers who rent land were more likely to fill out the survey. We will remedy this issue in future surveys.

Description of Respondent Breakdown

Figure 1 shows the distribution of survey respondents by different categories. We allowed respondents to select all applicable categories. Therefore, the categories shown are not mutually exclusive. For example, 73% of those who selected into the "Farmland Owner" category also identified themselves in the "Active Farmer (farm operator)" category. Additionally, approximately 16% of respondents who identify as an "Active Farmer (farm operator)" also identify as a "Landlord".

Regional Farmland Rental Rate and Farmland Value Data

This table provides per tillable acre values for cash rent and price of farmland, as well as the ratio of rent-to-price by census division. The survey questions are identified in the column headings. Respondents answered for the census division that they were most familiar with (indicated in the first column). Many survey respondents did not answer all the survey questions. For this reason, when we provide results we provide the number (n) of responses. We report results from census divisions with more than 10 responses.

Table 1: Farmland Rental Rates and Farmland Values by Census Division Surveyed

	Survey Question		
Region	**What is the typical (or average) cash rent for average quality cropland per tillable acre? [Median reported]**	**What is the price, per tillable acre, for average quality farmland? [Median reported]**	**Rent/Price Ratio**
Brant (Census Division)	200 (n=19)	14000 (n= 17)	0.014
Bruce (County)	150 (n=69)	8000 (n=59)	0.019
Chatham-Kent (Census Division)	250 (n=60)	12250 (n=68)	0.020
Dufferin (County)	100 (n=23)	8500 (n=19)	0.012
Durham (Regional Municipality)	100 (n=37)	9000 (n=26)	0.011
Elgin (County)	225 (n=44)	12000 (n=40)	0.019
Essex (County)	200 (n=47)	8500 (n=43)	0.024
Grey (County)	70 (n=44)	7000 (n=37)	0.010
Haldimand-Norfolk (Census Division)	200 (n=68)	8000 (n=56)	0.025
Hamilton (Census Division)	125 (n=14)	10000 (n=11)	0.013
Huron (County)	275 (n=54)	15000 (n=50)	0.018
Kawartha Lakes (Census Division)	100 (n=20)	5000 (n=19)	0.020
Lambton (County)	200 (n=55)	10000 (n=54)	0.020
Leeds and Grenville (United Counties)	50 (n=21)	3250 (n=20)	0.015
Middlesex (County)	200 (n=63)	12000 (n=64)	0.017
Niagara (Regional Municipality)[1]	65[1](n=33)	10000 (n=35)	0.007[2]
Northumberland (County)	50 (n=29)	4000 (n=24)	0.013
Ottawa (Census Division)[3]	150[3] (n=26)	10000 (n=23)	0.015
Oxford (County)	250 (n=70)	20000 (n=54)	0.013
Perth (County)	300 (n=55)	18500 (n=48)	0.016

[1]The mean rental rate in this region is substantially different from the median. The mean is $170/acre.

[2]Using the mean, the rent/price ratio is 0.017.

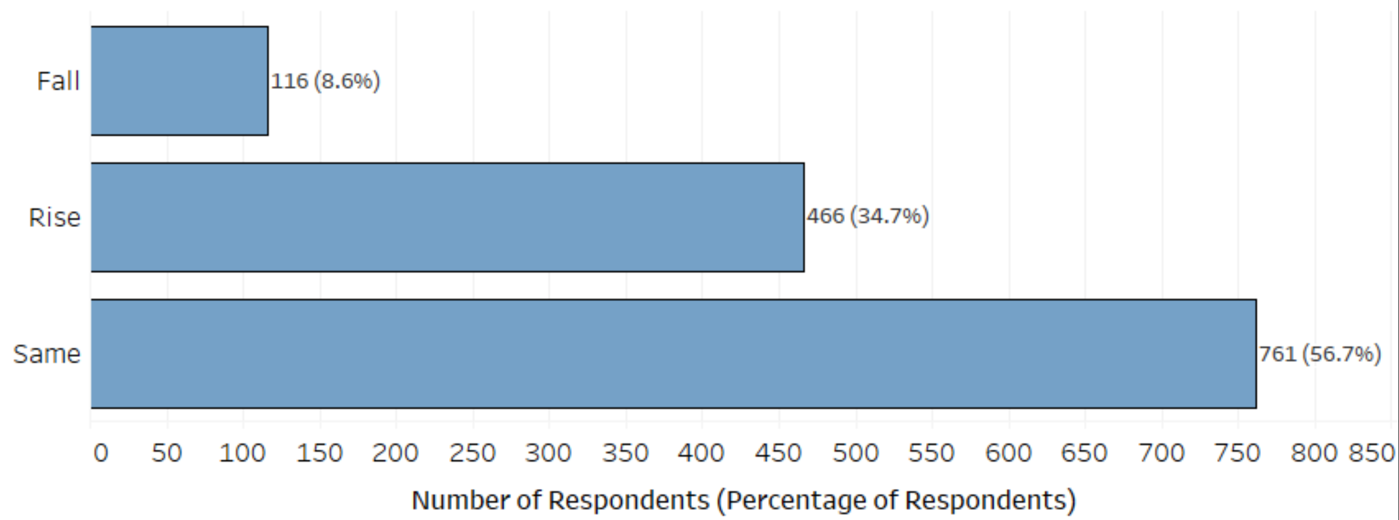
[3]The mean rental rate in this region is significantly higher than the median. The mean is $265/acre. This difference is driven by three outliers with rental rates greater than $850 reported.

Table 1 (Continued): Farmland Rental Rates and Farmland Values by Census Division Surveyed

Region	Survey Question: What is the typical (or average) cash rent for average quality cropland per tillable acre [Median reported]	Survey Question: What is the price, per tillable acre, for average quality farmland? [Median reported]	Rent/Price Ratio
Peterborough (County)	48 (n=20)	3500 (n=23)	0.014
Prescott and Russell (United Counties)	138 (n=18)	8000 (n=19)	0.017
Prince Edward (Census Division)	50 (n=16)	4000 (n=11)	0.013
Renfrew (County)	60 (n=16)	4000 (n=19)	0.015
Simcoe (County)	80 (n=35)	8000 (n=26)	0.010
Stormont, Dundas and Glengarry (United Counties)	150 (n=49)	10000 (n=46)	0.015
Timiskaming (District)	85 (n=13)	3500 (n=11)	0.024
Waterloo (Regional Municipality)	200 (n=25)	17750 (n=20)	0.011
Wellington (County)	150 (n=47)	11500 (n=40)	0.013
York (Regional Municipality)	75 (n=20)	30000 (n=15)	0.003

Respondent Perceptions of Changing Farmland Prices

Figure 2: Over the next 12 months, do you think farmland values will rise, fall, or stay the same? (n = 1343)



Farmer Perceptions of Farmland Buyers

Respondents were asked to report their perception of the percentage of farmland sales to three different categories of buyers in the past 12 months: farmers, non-farmers who want to live on a portion of the farm, and non-farmers purchasing land for investment purposes only. This table provides the median reported percentage of sales in each of these categories (provided in the column headers), for each region with greater than 10 responses. Only responses adding to 100% across the three categories are reported (for example, if a respondent indicated 90% to each of the three categories, their response has been omitted). We report the median response in each category by census division, hence each row will not necessarily add up to 100.

Table 2: Respondent Perceptions of Farmland Buyers in the Past 12 Months

	In this municipality during the past 12 months, approximately what percentage of farmland sales were to:		
Region	**Farmers [Median percentage reported]**	**Non-Farmers who want to live on a portion of the farm [Median percentage reported]**	**Non-Farmers who purchase land for investment purposes only [Median percentage reported]**
Brant (Census Division) (n=13)	50%	10%	25%
Bruce (County) (n=47)	80%	5%	5%
Chatham-Kent (Census Division) (n=55)	85%	0%	10%
Dufferin (County) (n=11)	50%	20%	10%
Durham (Regional Municipality) (n=19)	50%	10%	40%
Elgin (County) (n=26)	90%	5%	0.5%
Essex (County) (n=34)	60%	10%	22.5%
Grey (County) (n=31)	75%	20%	5%
Haldimand-Norfolk (Census Division) (n=41)	90%	7.5%	0.5%
Hastings (County) (n=12)	50%	27.5%	20%
Huron (County) (n=34)	92.5%	0.5%	0%
Kawartha Lakes (Census Division) (n=17)	50%	20%	20%
Lambton (County) (n=36)	90%	0%	0%
Lanark (County) (n=10)	65%	22.5%	0%
Leeds and Grenville (United Counties) (n=15)	70%	10%	10%
Middlesex (County) (n=47)	80%	5%	5%
Niagara (Regional Municipality) (n=22)	52.5%	17.5%	22.5%
Northumberland (County) (n=13)	50%	25%	10%
Ottawa (Census Division) (n=23)	90%	0%	5%

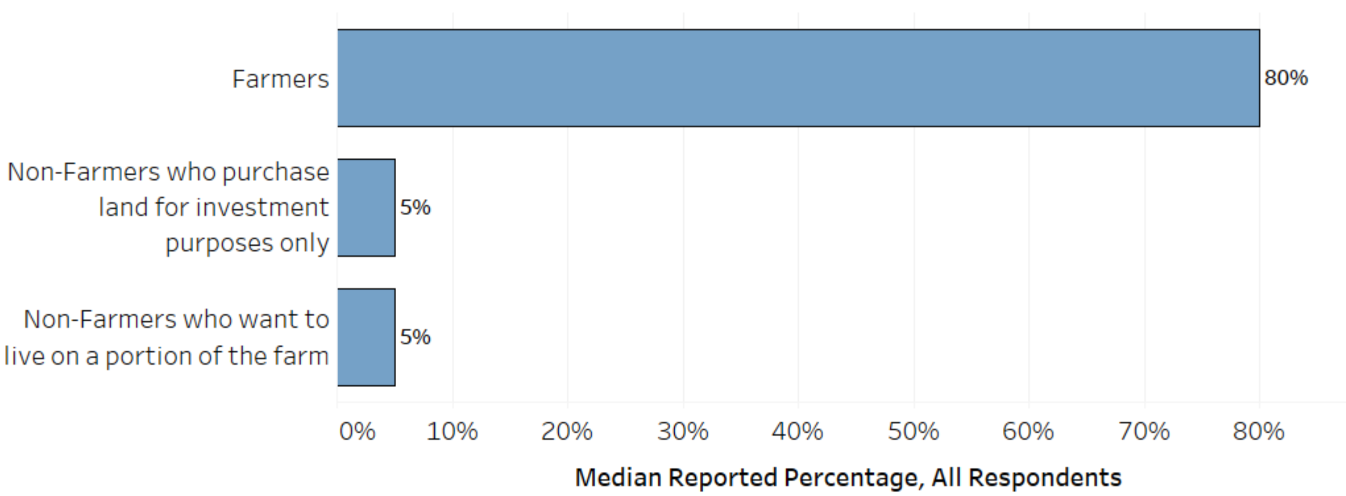
Table 2 (Continued): Respondent Perceptions of Farmland Buyers in the Past 12 Months

Region	*In this municipality during the past 12 months, approximately what percentage of farmland sales were to:*		
	Farmers [Median percentage reported]	**Non-Farmers who want to live on a portion of the farm [Median percentage reported]**	**Non-Farmers who purchase land for investment purposes only [Median percentage reported]**
Oxford (County) (n=45)	95%	0%	0%
Perth (County) (n=40)	100%	0%	0%
Peterborough (County) (n=20)	25%	25%	25%
Prescott and Russell (United Counties) (n=13)	90%	0%	5%
Renfrew (County) (n=14)	87.5%	10%	0%
Simcoe (County) (n=18)	42.5%	15%	22.5%
Stormont, Dundas and Glengarry (United Counties) (n=32)	90%	0%	0.5%
Waterloo (Regional Municipality) (n=15)	80%	10%	5%
Wellington (County) (n=35)	90%	3%	0%
York (Regional Municipality) (n=17)	2%	5%	80%

Respondent Perceptions of Farmland Buyers: All Census Divisions

This figure aggregates the data in Table 2. The contrast between these aggregate findings and those reported in Table 2 demonstrate that there is considerable spatial variation in respondent perceptions of farmland buyers.

Figure 3: During the past 12 months, approximately what percentage of farmland sales in your familiar region were to (n=755):



Key Characteristics of Farm Operators and Farm Operations

Table 4 below displays summary data for key characteristics of farm operators surveyed and their farm operations. Data for acres operated, acres rented in, and number of landlords is reported only for cases where the respondent answered all questions.

Table 4: Key Characteristics of Farm Operators and Farm Operations

Variable	Obs	Mean	Median	Std. Dev.	Min	Max
Operator Characteristics						
Age	2183	58.75	60	12.42	21	101
Sex (Female=0, Male=1)	2187	0.85	1	0.36	0	1
Scale and Nature of Operation						
Total Acres Operated	1495	459.21	220	776.99	1	1030
Acres Rented In	1495	207.37	65	486.66	0	7800
Percentage of Total Acres Rented In[1]	1495	36.88	29.41	35.09	0	100
Number of Landlords	1495	2.33	1	3.60	0	20
Rental Agreement Includes Stipulations (1=yes, 0=no)	983	0.25	0	0.44	0	1

[1]Percentage calculated using values reported by respondents for 'Total Acres Operated' and 'Acres Rented In'.

Reported Size of Operation and Quantity of Land Rented, Leased or Cropshared

The figure below plots the natural log of the total acres operated reported by respondents against the natural log of the acres rented, leased and cropshared reported. A linear trendline has been added to highlight the upward sloping relationship between acres operated and acres rented (i.e. the amount of farmland rented, leased or cropshared tends to increase as total farm operation size increases).

Figure 4: Natural Log of Acres Operated vs. Natural Log of Acres Rented, Leased or Cropshared (N = 1070)