



Brockett's Ag Advice

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Establishing fair rental rates

I have been writing one or more farm related columns per week since 1957, the year after starting my extension career. My first columns were home garden advice columns written for the "Potter County Enterprise" and the "Pottery County Journal".

In the years that I have been writing columns, suggestions from people who write or call with column ideas have been invaluable. Usually I put their suggestions into a file folder titled "future column ideas". Most of those ideas do get used.

A second source of column ideas come from the questions people

ask either individually or at a meeting. In the next few columns, I will be using some ideas from both of these sources.

One question was posed as a column idea some time back. The question was "How can farm owners come up with a reasonable rent to charge for their farm? This is really a number of questions in one. The answer will vary depending on the needs of the prospective landlord and the prospective tenant.

Rent-How Much To Charge

How much rent is a farm or land or a farm building worth? The

answer is that "it depends". It depends on the location of the property. It depends on the use the tenant will make of the property. It depends on accessibility, condition, convenience, and size in relation to intended use.

Last year I developed three computer rent programs for county agents to use to help both landlords and tenants arrive at a fair rental value. Two of them are primarily for landlords who are interested in the range in rentals that their property is worth. The third is for the tenant who must be concerned with "How much can I handle?" Prospective landlords and tenants may be interested in the results from those programs as a guide to—what is a reasonable rent that the tenant can afford. With declining farm commodity prices, a reasonable rent may be considerably less now than it was a few years ago.

Some other considerations for a landlord are (1) the price or monetary value of the property in relation to its productive or use value; (2) other things the tenant might furnish in addition to the rent paid—plow out roads, raise some meat animals for the landlord, etc; (3) the competition for

the property; (4) the costs the landlord must pay from the rent. These considerations may result in the landlord accepting a lower rent than the value of the property might indicate.

Rent-How Much To Pay

Tenants must also do some calculating as to how much they can pay for rent. In many cases, rent is a cost in place of other ownership costs such as interest, taxes, insurance, and depreciation. Prospective tenants may want to keep this in mind when they are looking at a possible

rental property.

Most farmers are limited in the percentage of income they can afford to pay for debt service. In most dairy farm situations, this limit is under 25 percent of cash income. Since rent is being paid in place of debt service (interest and principal) plus taxes and insurance, a tenant must count that rent payment as part of the 25 percent. This percentage is considerably less than 25 percent for farm enterprises such as beef (may be as low as 0 percent grain, (5 to 15 percent), and hogs (10 to 20 percent).

Lorsban okayed for dogwood borer

MIDLAND, MI — The Dow Chemical Company announces that Lorsban 50W insecticide has recently been approved for control of Dogwood borer in apples by the U.S. Environmental Protection Agency.

Dogwood borer, a common apple pest in Michigan, New York, Pennsylvania and other eastern states, infests clonal rootstock by boring into the burr knots or ad-

ventitious (aerial) roots which grow just below the exposed graft union on dwarf and semi-dwarf trees.

For control of Dogwood borer, Lorsban 50W should be applied to the lower trunks of apple trees to the point of runoff at a rate of three pounds per acre. To ensure thorough coverage, a directed spray application with a handgun or other suitable ground spray equipment is recommended.

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