

Agricultural Land Management Quarterly Presenters

Archived Programs: cap.unl.edu/landmanagement

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Outline of topics, Monday, May 19, 2025

- Trends in Nebraska cash rental rates
 - Trends in Nebraska cash rental rates for 2025
 - Financial implications for changing commodity prices and adjusting cash rents
- Proper communication and decision making for agricultural land
 - Improving communication between landlords, tenants, and family members
 - Short- and long-term decision making for agricultural land
- Ask an expert
 - Review of submitted questions
 - Upcoming land management workshops and publications



Trends in Nebraska Cash Rental Rates for 2025

Presented By Jim Jansen

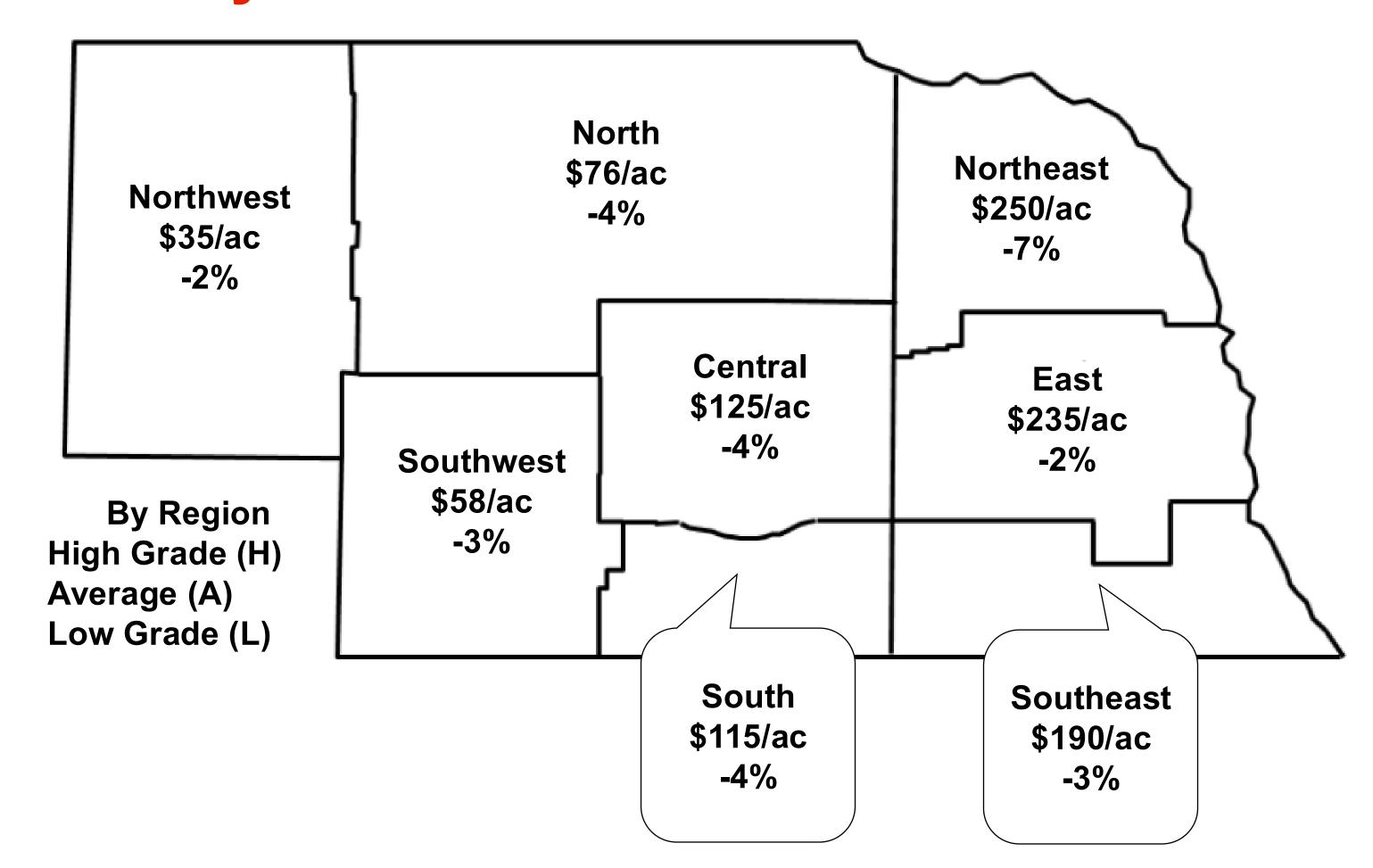


Nebraska Farm Real Estate Survey

- Annual survey conducted since 1978 of Nebraska agricultural appraisers, professional farm managers, and bankers engaged in the land industry
 - Preliminary results for land values and rental rates published in mid-March.
 - Full report published in June
- Nebraska Farm Real Estate website for full access to these resources: https://cap.unl.edu/realestate

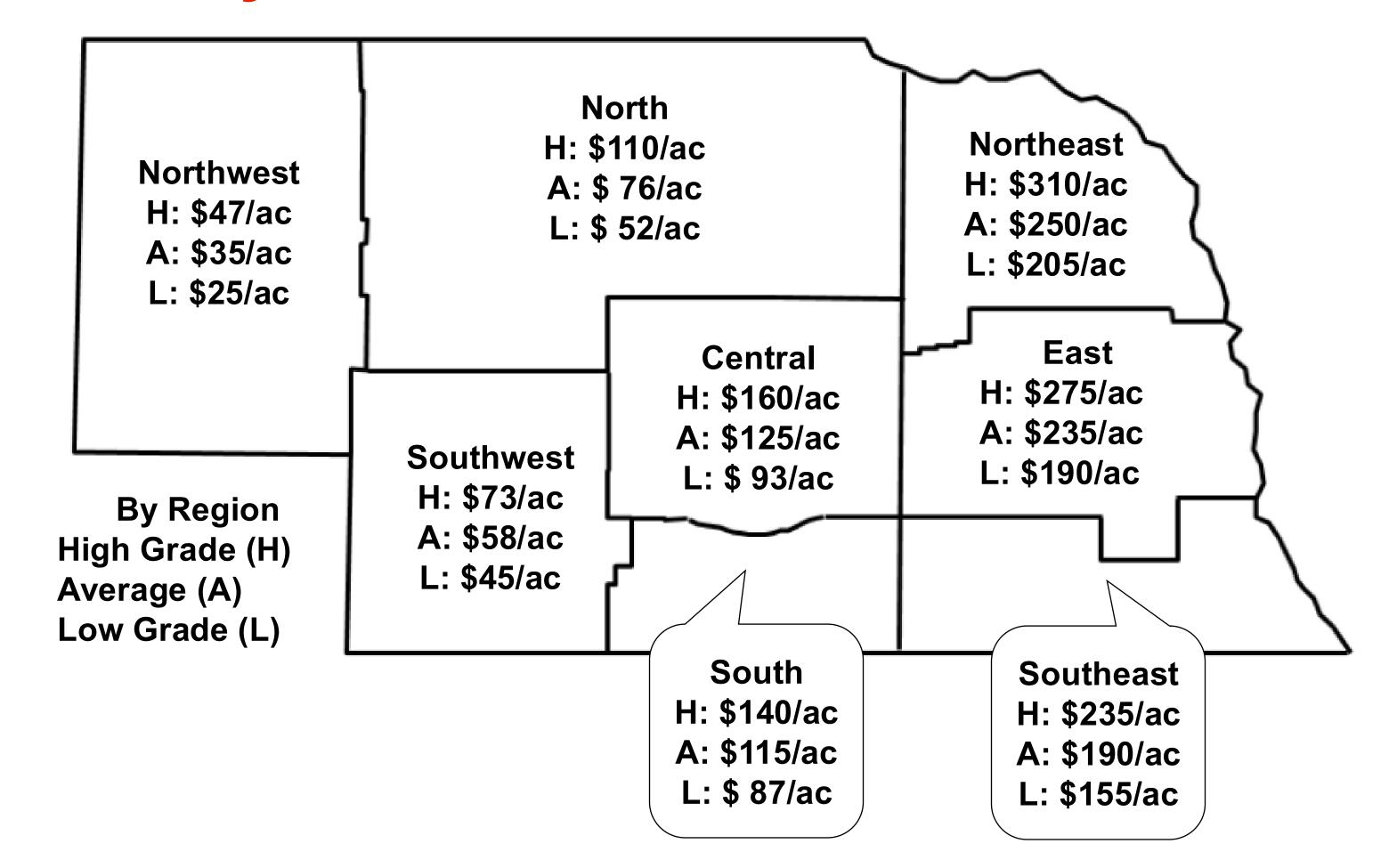


Nebraska Dryland Cropland Rental Rates – 2025 Preliminary Estimates



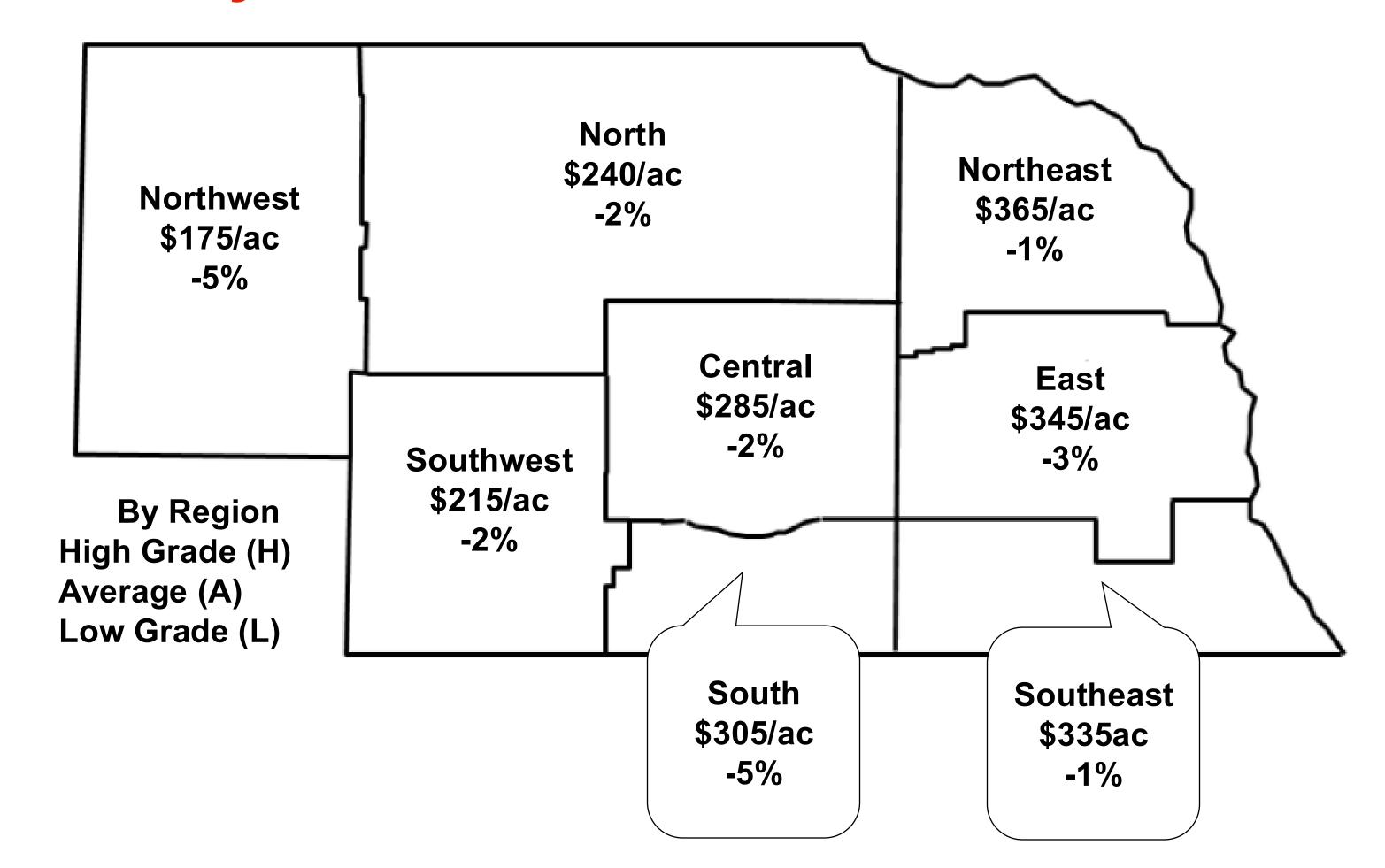


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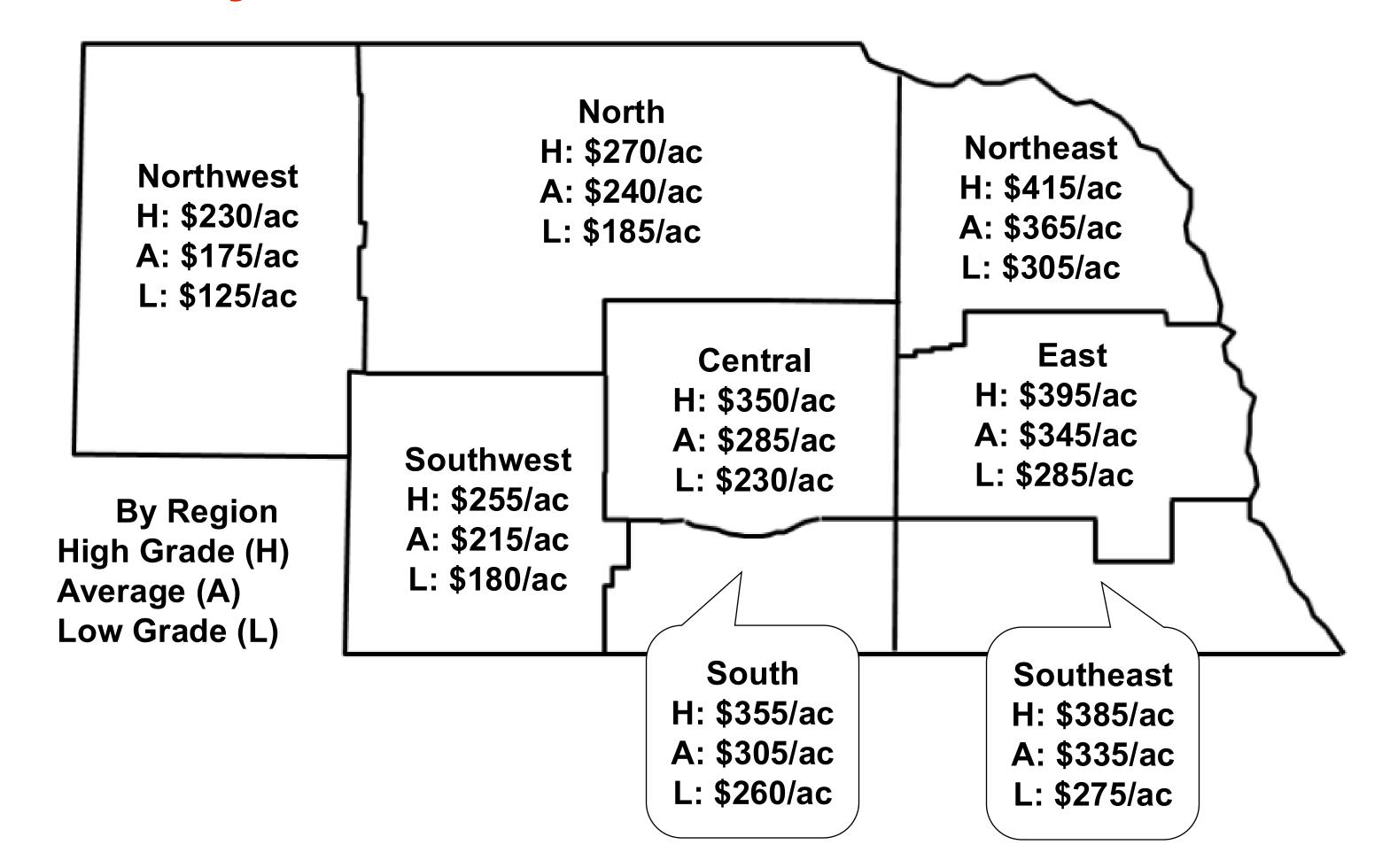
CENTER FOR AGRICULTURAL PROFITABILITY

Nebraska Center Pivot Cropland Rental Rates – 2025 Preliminary Estimates



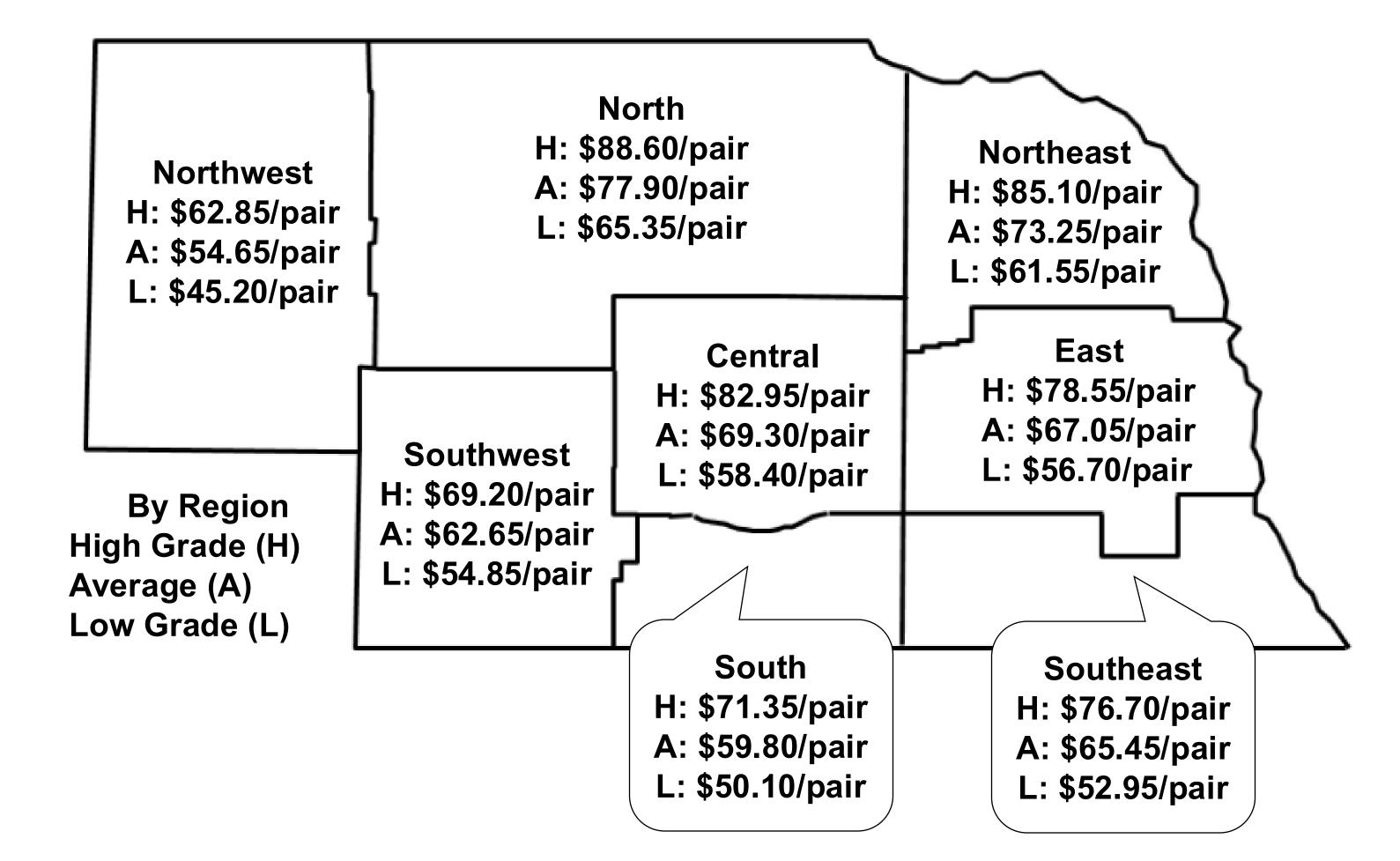


Nebraska Center Pivot Cropland Rental Rates – 2025 Preliminary Estimates



CENTER FOR AGRICULTURAL PROFITABILITY

Nebraska Cow-Calf Pair Monthly Rental Rates – 2025 Preliminary Estimates



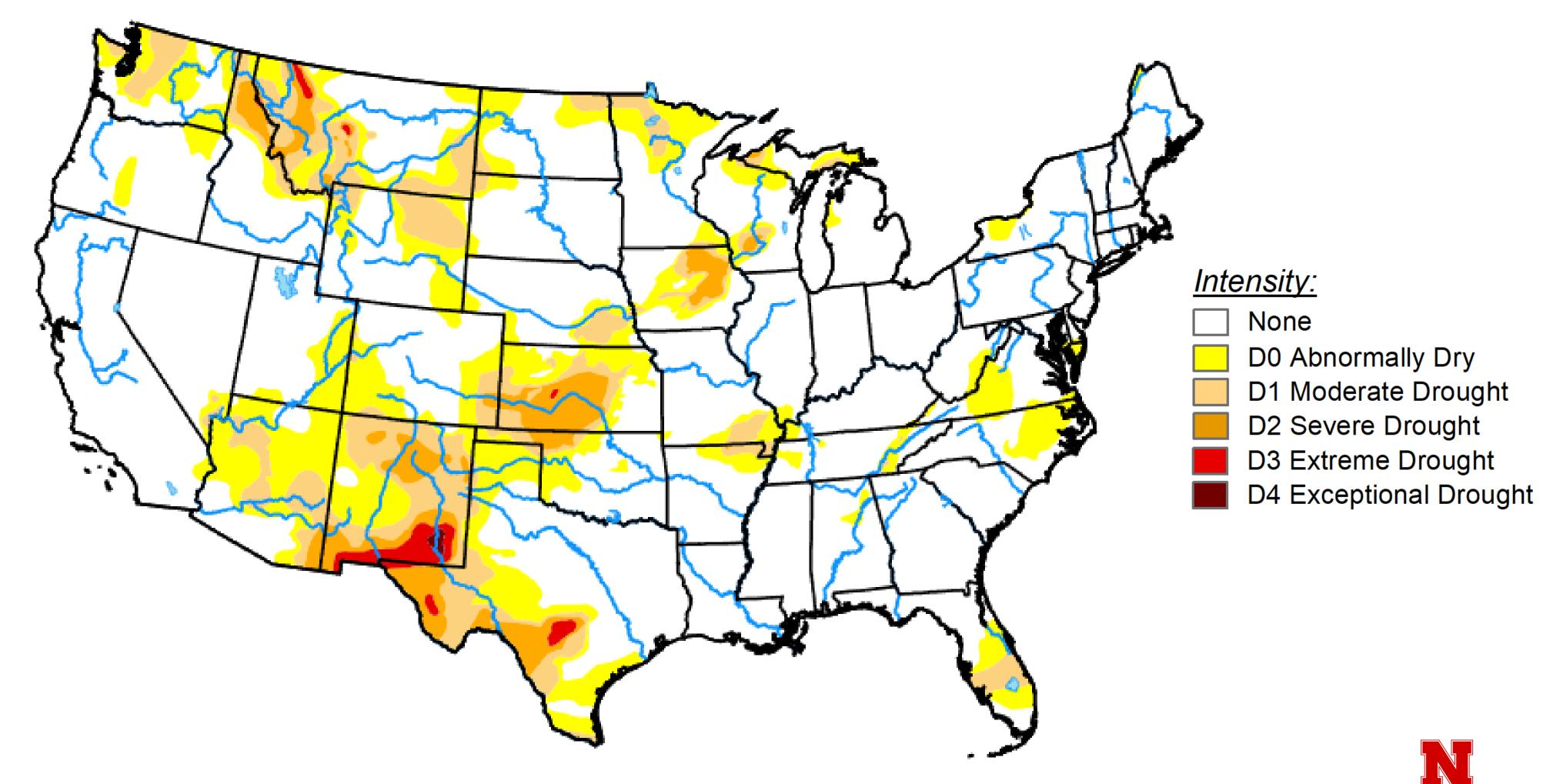
CENTER FOR AGRICULTURAL PROFITABILITY

Financial Implications for Changing Commodity Prices and Adjusting Cash Rents

Presented by Jim Jansen

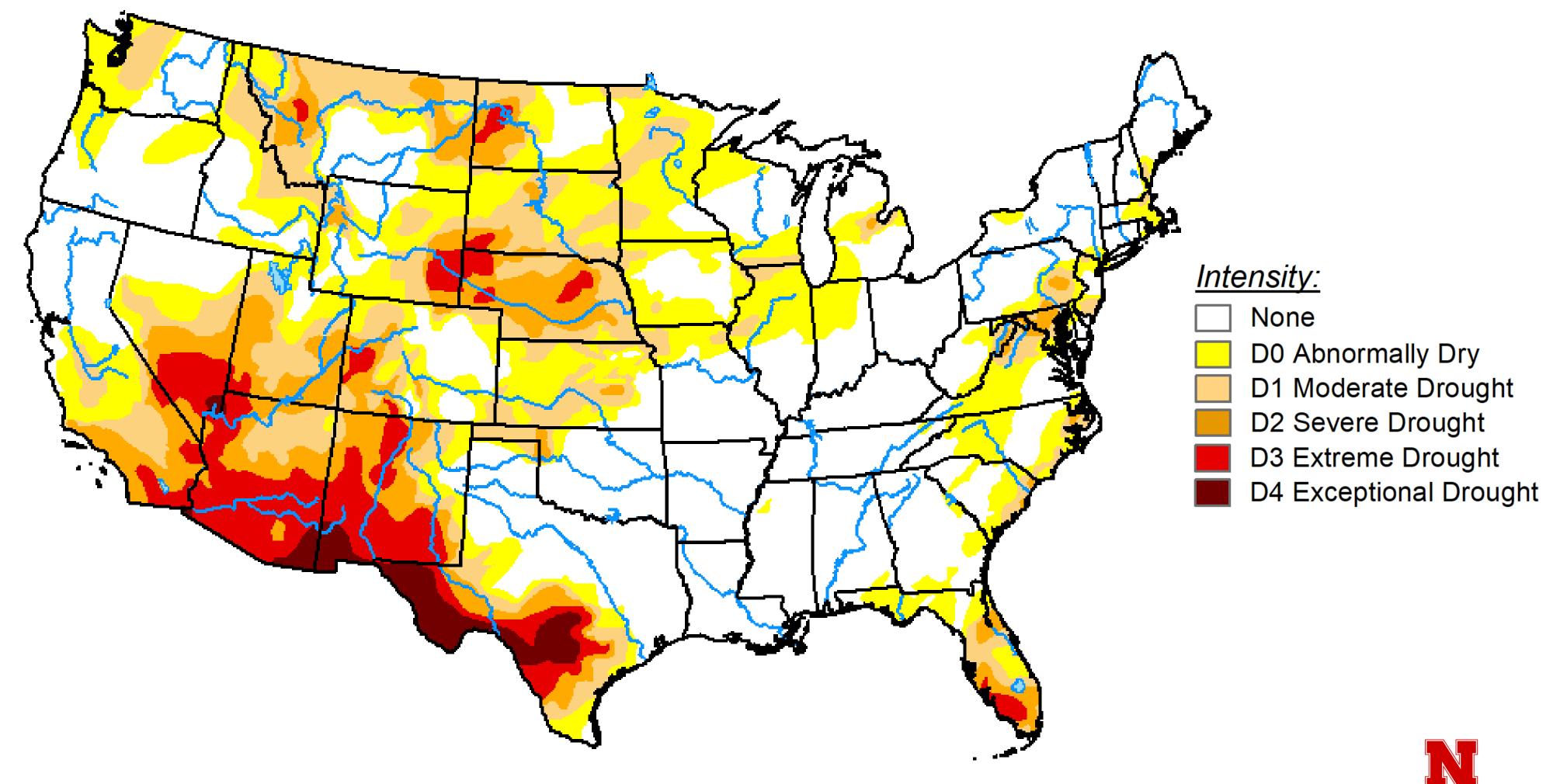


U.S. Drought Monitor Map - May 16, 2024



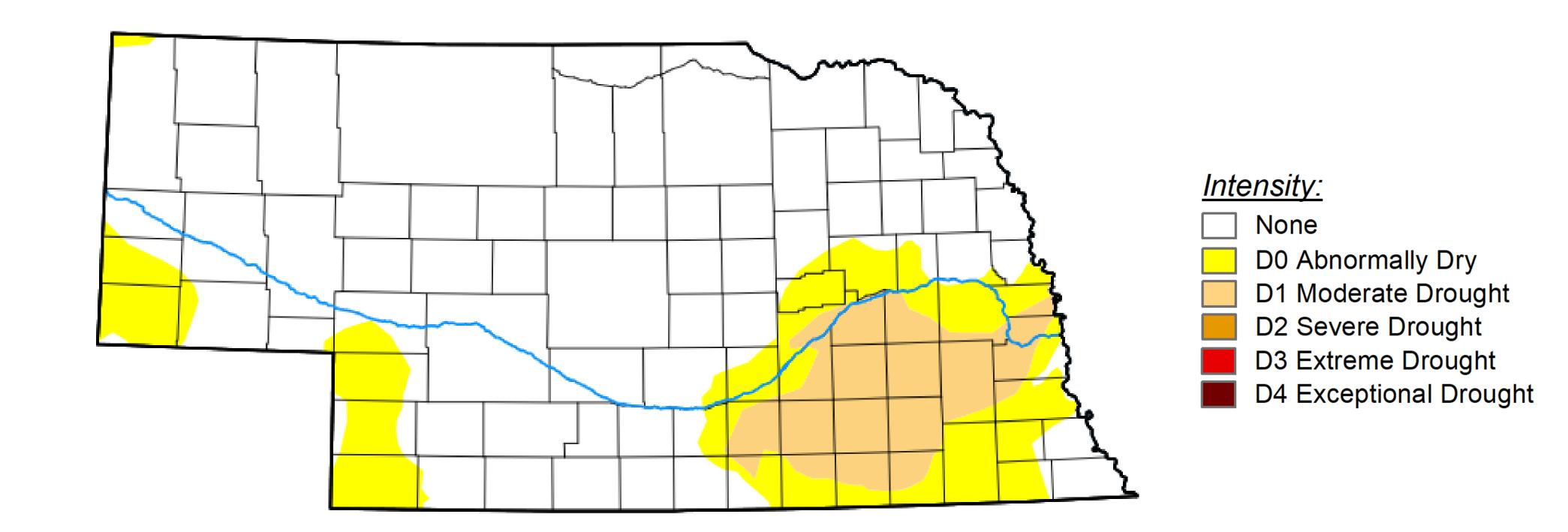
Source: National Drought Mitigation Center, May 16, 2024

U.S. Drought Monitor Map - May 15, 2025



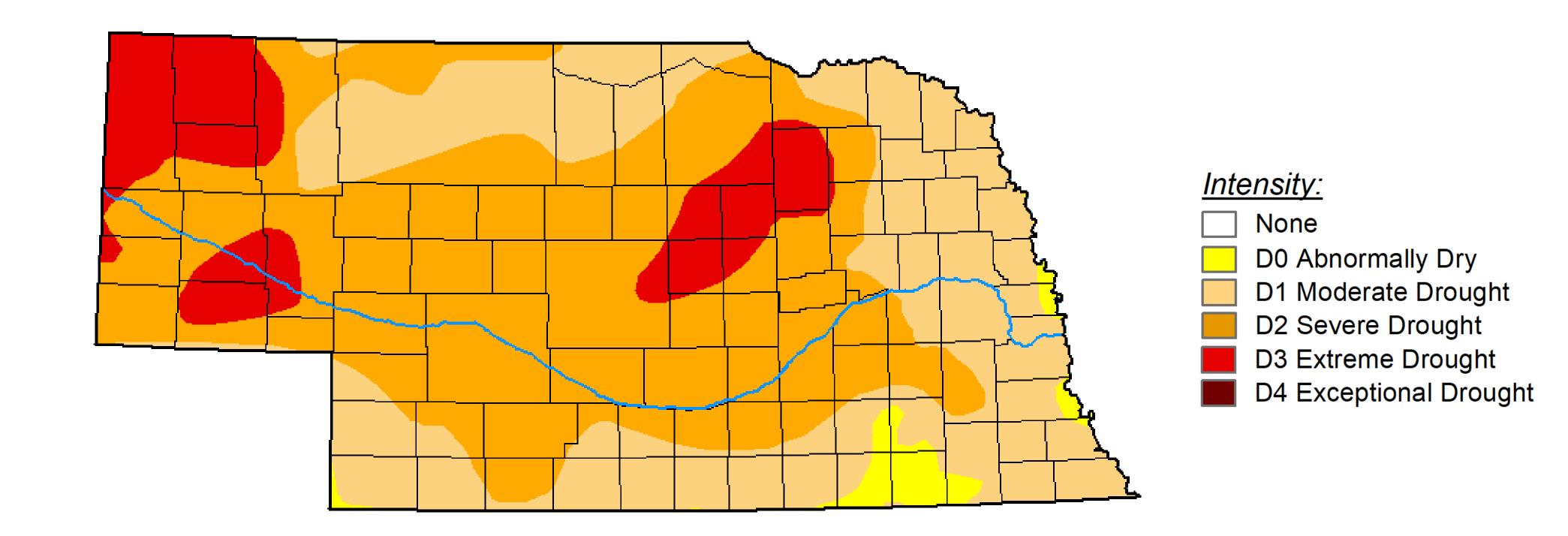
Source: National Drought Mitigation Center, May 15, 2025

U.S. Drought Monitor Map - May 16, 2024





U.S. Drought Monitor Map - May 15, 2025





Consider Using Flex Leases Due to Uncertainty in Prices or Yield

- Flexible cash leases vary the rent paid for land based upon the actual performance of the crop yield, pasture, or livestock
- The actual rent paid flexes within a predetermined range to more equitably divide the financial returns from the property or asset
 - Higher than expected performance results in a final rental rate higher than the agreed upon base rate.
 - Lower than expected performance results in a final rental rate lower than the agreed upon base rate.



Flexible Crop Lease

Flexible crop lease with changes in corn prices moving up and down.

Farm Base Rent	
Rental Rate	\$200/ac.
5-yr Farm APH	150 bu.
Expected Farm Price	\$4.20/bu.
Harvesting-Time Price Increa	ise
Actual Harvest Time Price Guarantee	\$4.65/bu.
Difference (\$4.65/bu \$4.20/bu.)	\$0.45/bu.
Percent [\$4.65/bu \$4.20/bu.] x 100 Change [\$4.20/bu.]	10.7 %
Final Rent	
Rental Rate	\$200/ac.
Percent Increase in Rent (\$200 x 10.7%)	\$21/ac.
Final Rent	\$221/ac.

Farm Base Rent	
Rental Rate	\$200/ac.
5-yr Farm APH	150 bu.
Expected Farm Price	\$4.20/bu.
Harvesting-Time Price Decre	ase
Actual Harvest Time Price Guarantee	\$3.75/bu.
Difference (\$3.75/bu \$4.20/bu.)	-\$0.45/bu.
Percent [\$3.75/bu \$4.20/bu.] x 100 Change [\$4.20/bu.]	-10.7 %
Final Rent	
Rental Rate	\$200/ac.
Percent Decrease in Rent (\$200 x -10.7%)	-\$21/ac.
Final Rent	\$179/ac.

Flexible Cow-calf Pair Lease

 Flexible pasture lease based on feeder cattle futures where prices move down

Current Pasture Rent (\$/Pair)	\$335.00/pair	
Expected Feeder Cattle Futures	\$295.00/cwt.	
Actual Feeder Cattle Futures	\$274.35/cwt.	
Percentage of Change		
(\$274.35 – \$295.00) / \$295.00	7% Change in Price Down	
Drop Pasture Rent by 7%	-\$23.45/pair	
Final Rent (\$/Pair)	\$311.55/pair	



Flexible Cow-calf Pair Lease

 Flexible pasture lease based on feeder cattle futures where prices move up

Current Pasture Rent (\$/Pair)	\$335.00/pair
Expected Feeder Cattle Futures	\$295.00/cwt.
Actual Feeder Cattle Futures	\$315.65/cwt.
Percentage of Change	
(\$315.65 – \$295.00) / \$295.00	7% Change in Price Up
Increase Pasture Rent by 7%	+\$23.45/pair
Final Rent (\$/Pair)	\$358.45/pair



2025 Production Season Looking at Lease Management

Presented by Anastasia Meyer



Communications Will be the Key to Successful Leasing

- During the growing season consider reporting to landlords regularly
 - Moisture rainfall amounts
 - Weed pressure
 - Disease or insect pressures
 - Other pertinent issues
 - Current crop prices & farm economy
 - · Report on other expenses; fertilizer, fuel, repairs, chemicals, etc.
- Remember communication is critical even for cash leases!







Communication - Considerations for Tenants

- Both landlord and tenant need to communicate effectively on needs related to leases
- The key to success will be how well you LISTEN
 - Seek first to understand, before you can be understood
 - Ask clarifying questions
- Don't assume





Communication - Considerations for Landlords

- During the growing season consider visiting with tenants
 - If feasible, consider visiting the land and look around what events are influencing the property in 2025?
 - Ask for reports from tenants if the operators are not communicating regularly
 - Express expectations on
 - Weed control
 - Other management issues or concerns
- Don't assume!



Adjustments to Leases by Type

- Do crop share leases need to be adjusted?
 - Typically not production risk usually shared between landlords and tenants
 - Price risk also shared between landlord and tenant
- Flexible leases may not need to be adjusted depending upon the lease provisions
- So, would cash leases need to be adjusted?
 - Possibly, but what does the lease say?
 - What are the terms?
 - Motivation of low or high commodity prices



Cash Lease Adjustments

- Adjusting the lease due to rapid increase in corn prices will be a joint landlord/tenant decision
 - What one party "thinks" should happen does not necessarily matter, but what can be mutually agreed upon
- Consider the gross crop revenue per acre compared to the cash rental rate
 - Depends on area of Nebraska
 - Lower percent for corn, higher for soybeans
 - 25-35%





Cash Lease Adjustments Example

Pivot Irrigated Cash Rental Rate (\$/ac)	\$350
Expected Corn Yield (bu/ac)	240
Expected Price (\$/bu) 2025	\$4.20
Gross Revenue (\$/ac)	\$1,008
Rental Rate/Gross Revenue	34.7%
Expected Price (\$/bu) 2024	\$4.75
Rental Rate/Gross Revenue	30.7%
Expected Price (\$/bu) 2023	\$5.50
Rental Rate/Gross Revenue	26.5%

- May consider decreasing
- Remember to factor in all crops/rotations
- Lower percent for corn, higher for soybeans



Cash Lease Adjustments Example

Dryland Cash Rental Rate (\$/ac)	\$200
Expected Soybeans Yield (bu/ac)	45
Expected Price (\$/bu)	\$10.25
Gross Revenue (\$/ac)	\$461
Rental Rate/Gross Revenue	43.4%
Expected Price (\$/bu) 2024	\$11.25
Rental Rate/Gross Revenue	34.5%

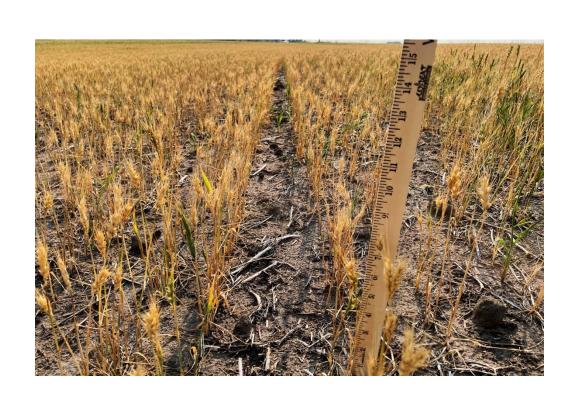
- May consider decreasing
- Remember to factor in all crops/rotations
- Lower percent for corn, higher for soybeans



Pasture Leases

- Plan ahead for the Big 3! Fire, Drought, & Hail
- Landlords need to be clear about management expectations for their pasture (weed control, fertilization, stocking rate)
- Tenants need to report conditions especially if drought is developing, or if volunteer trees (red cedars) are a problem (for example)









Having a Written Lease is Imperative!

- Not your grandpa's farm anymore
 - Handshake lease agreements may be ended at anytime
 - Termination notice must be given by September 1 (previous year) for farmland
 - Handshake leases for farmland start on March 1
 - Verbal pasture leases end at the end the 5 month grazing season
- Fill-in-the blank written leases may be found at: www.aglease101.org

Cash Farm Lease NCFMEC-01A
For additional information see NCFMEC-01 (Fixed and Flexible Cash Rental Arrangements For Your Farm).
This form can provide the landowner and operator with a guide for developing an agreement to fit their individual situation. This form is not intended to take the place of legal advice pertaining to contractual relationships between the two parties. Because of the possibility that an operating agreement may be legally considered a partnership under certain conditions, seeking proper legal advice is recommended when developing such an agreement.
This lease entered into thisday of, 20, between
, owner, of
Address
, spouse, of
, spouse, or
Address
hereafter known as "the owner," and
, operator, of
Address
, spouse, of
Address
hereafter known as "the operator."
I. Property Description
The landowner hereby leases to the operator, to occupy and use for agriculture and related purposes, the
following described property:
consisting of approximately acres situated inCounty (Counties), (State)
II. General Terms of Lease
II. Ochiciai Terms of Lease
A. Time period covered. The provisions of this agreement shall be in effect for year(s), commencing on the day of , 20 This lease shall continue in effect from year to year thereafter unless written notice of termination is given by either party to the other at least days prior to
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NEW!!! Nebraska Crop Share Survey

- Survey Link: https://go.unl.edu/2025cropshare
- Landowners and Tenants can complete this survey
- Anonymous!





AgLease101.org – Free PDF Leases

Ag Lease 101

Home Document Library About Ag Lease 101

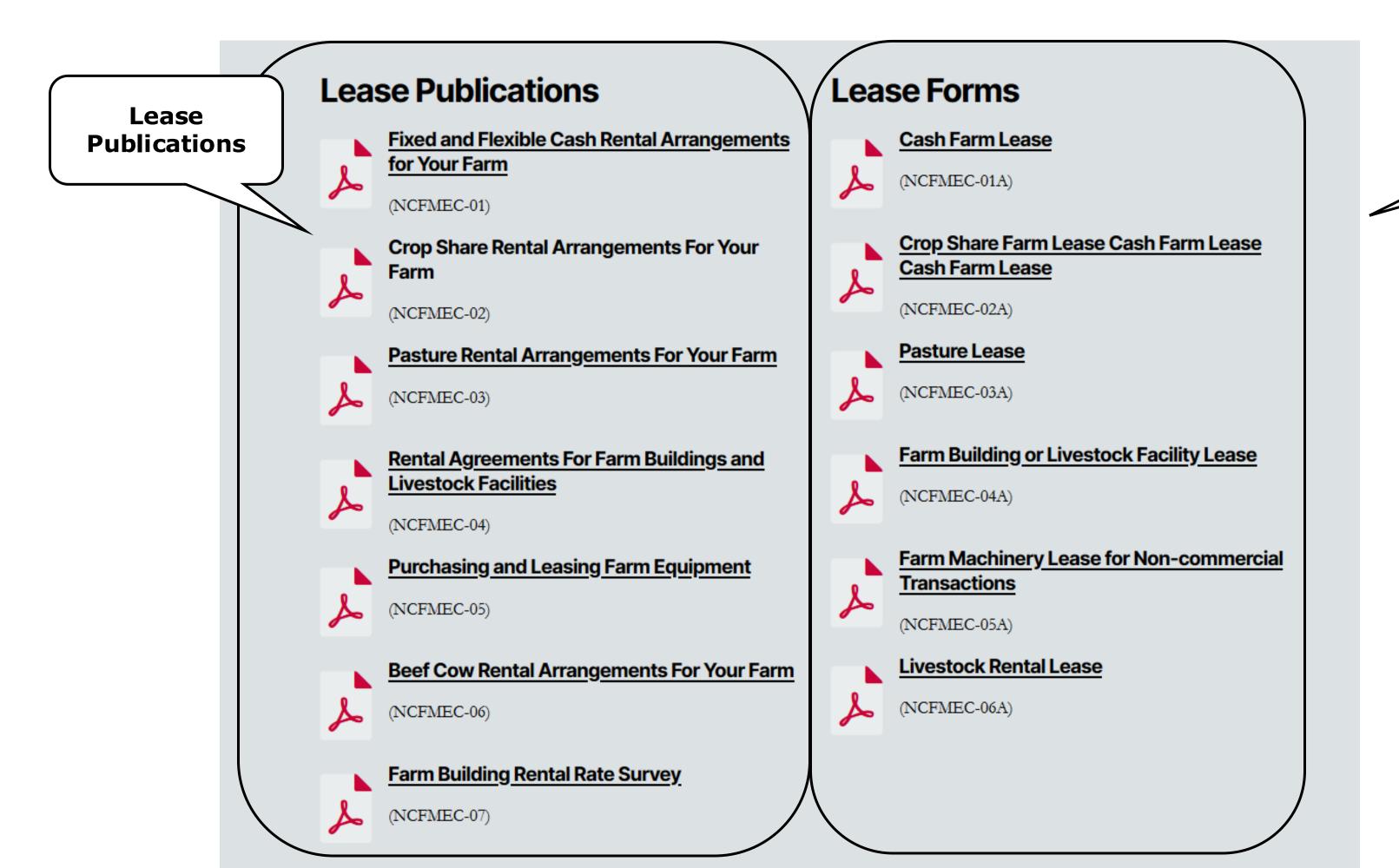
Click Document
Library

Ag Lease 101

Ag Lease 101 helps both land owners and land operators learn about alternative lease arrangements and includes sample written lease agreements for several alternatives. Ag Lease 101 was created by and is maintained by the North Central Farm Management Extension Committee.



AgLease101.org – Free PDF Leases



Fillable PDF Forms

Ask an Expert

Presented by Jim Jansen & Anastasia Meyer



Land Management Questions

Question: How do I approach including conservation provisions in a grazing land lease? Such as more aggressive rotation of pastures and cross fencing or using alternative weed control practices?

Answer: First step – proper communication between both parties.

- Do the landlord and tenant believe in the same approaches for the management of the property?
- Does the property currently have cross fencing? Who will install and/or maintain the fence?
- What are the alternative methods of weed control?



Land Management Questions

Question: If a tenant does not pay a landlord in accordance to terms of the lease agreement (amount or when due), does the lease continue until the termination date?

- Answer: Depending upon the provision in a lease for late payment, a landlord may have grounds for possibly evicting or dismissing a tenant
 - Certain states have specific provisions that allow for a landlord to demand the rent within a set period of time and a tenant may be evicted or a lien placed on the growing crop if rent has not been paid by the end of that period
 - Suggested to use an attorney to communicate with the uncooperative tenant and follow the proper procedure for dealing with late payments



Land Management Questions

- Question: Online participants may now submit their questions.
- Answer: Review of questions and answers will be based upon remaining time available.



Nebraska Agriculture Land Studies Fund

- Interested in helping support the Nebraska Farm Real Estate Survey & Report?
- Please consider donating to help cover future expenses.

Donate Directly

https://go.unl.edu/landfund

University of NE Foundation

Ph: 800-432-3216

Email: info@nufoundation.org



Upcoming Webinar: Mon. Aug 18, 2025 at 12:00 PM CDT

Topics:

- 2025 Nebraska Farm Real Estate Survey and Report Estimates
 - Agricultural land values & cash rental rates
 - Special feature report on hunting lease comparisons for wild game in Nebraska
- Landlord & Tenant Communication
 - Communicating crop progress on leased land
 - Terminating verbal leases and approaching deadline
- Ask an Expert
 - Review of submitted questions
 - Upcoming land management workshops and publications



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