



AGRICULTURAL
LAND MANAGEMENT QUARTERLY
WEBINAR SERIES

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Agricultural Land Management Quarterly Presenters

Archived Programs: cap.unl.edu/landmanagement

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Sponsorship for Land Management Quarterly

- Interested in sponsoring Land Management Quarterly or another land management outreach event?
 - Sponsorship includes featuring your company's logo and contact information twice during the presentation.
 - All sponsorships help extend outreach on land values, cash rental rates, and proper lease practices throughout Nebraska.
 - Please reach out to Jim Jansen or Anastasia Meyer for further details or with additional questions.



Outline of topics, August 19, 2024

- 2024 Nebraska Farm Real Estate Survey and Report Estimates
 - Agricultural land values & cash rental rates
 - Special feature report on cover crops and farmland leases
- 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



2024 Nebraska Farm Real Estate Survey and Final Report

Presented By Jim Jansen

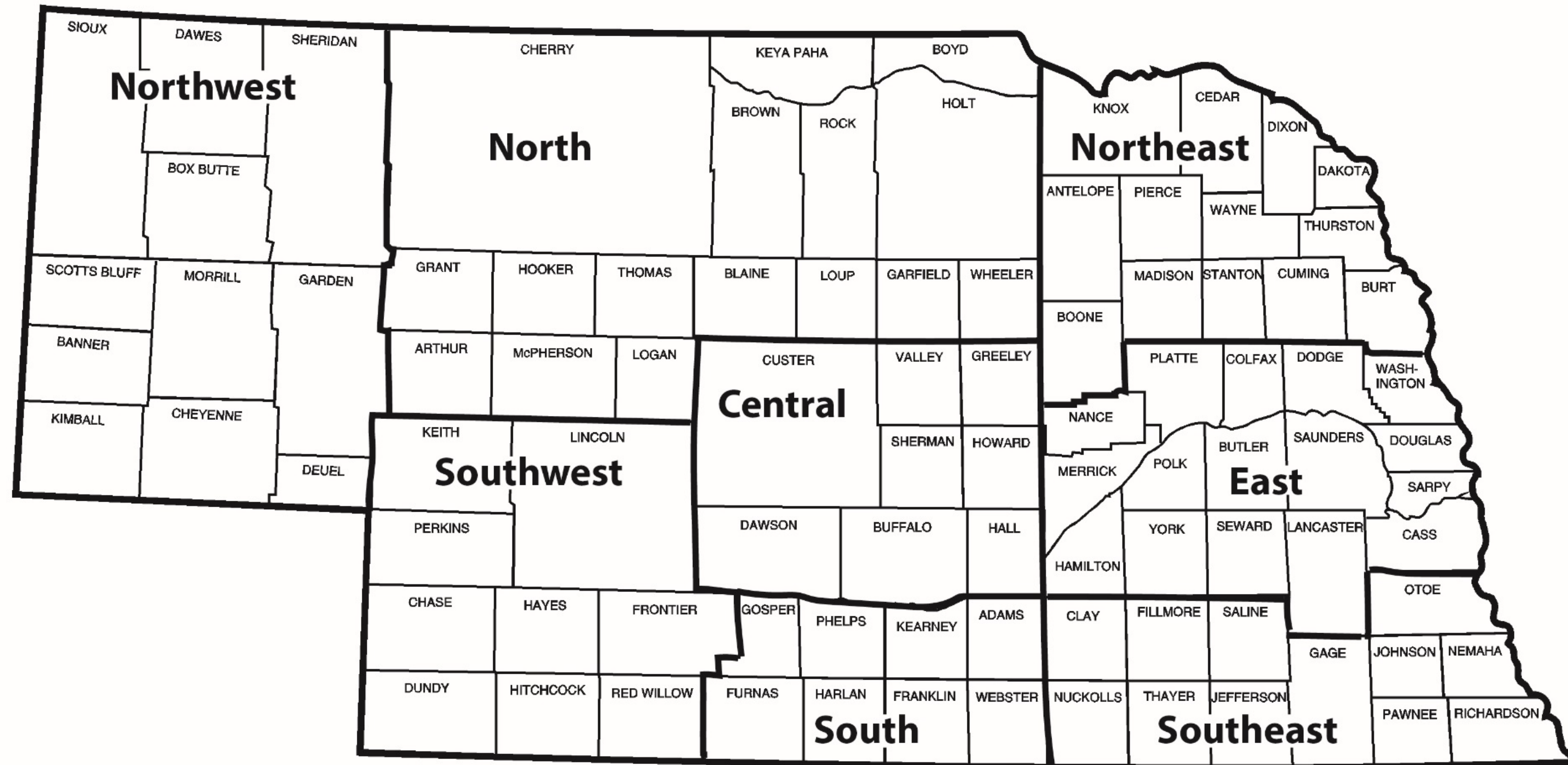


Nebraska Farm Real Estate Survey

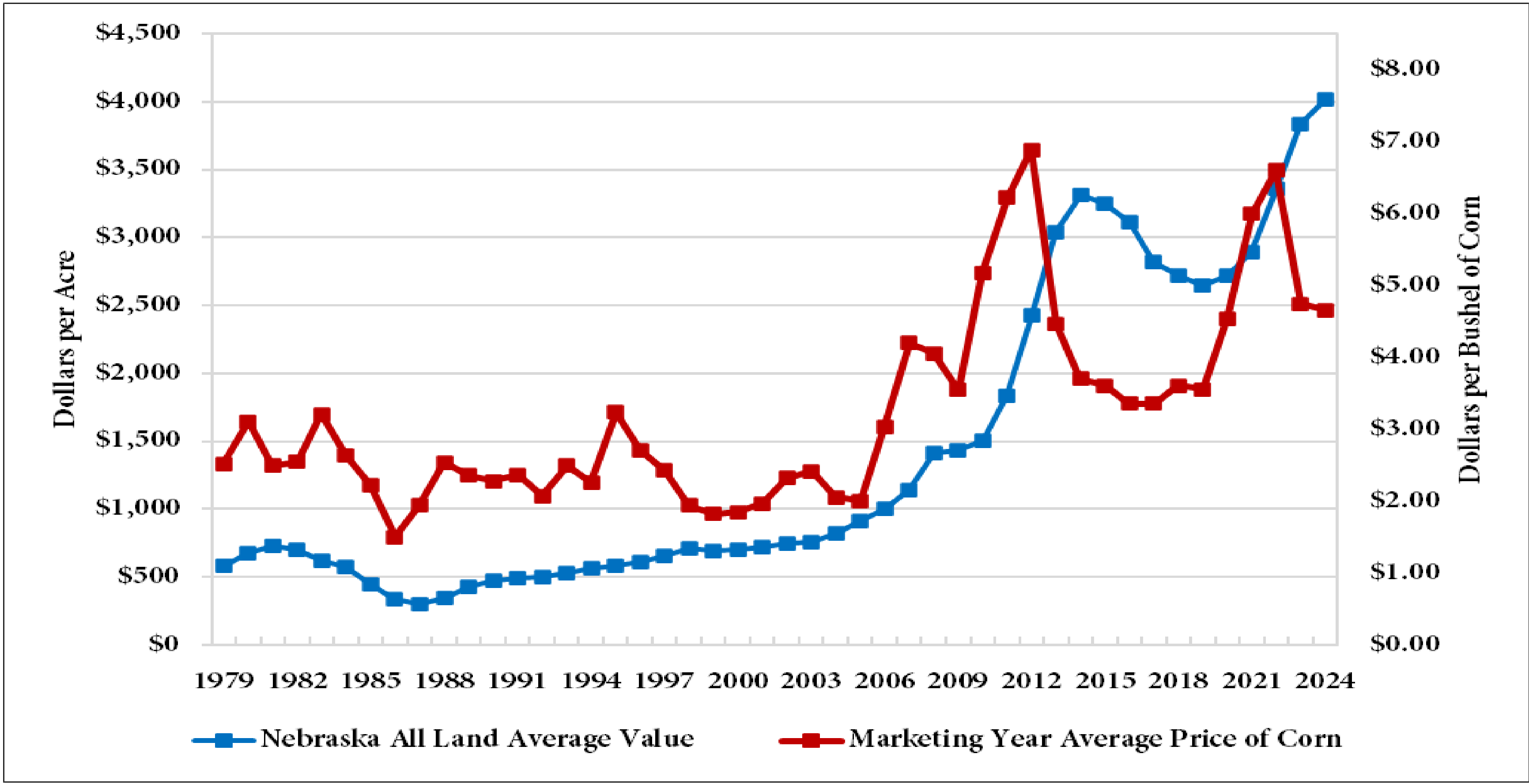
- Annual survey conducted since 1978 of Nebraska agricultural appraisers, professional farm managers, and bankers engaged in the land industry
 - Preliminary results for land values and rental rates published by mid-March.
 - Full report published in June
- Nebraska Farm Real Estate website full access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



Nebraska Agricultural Statistics Districts

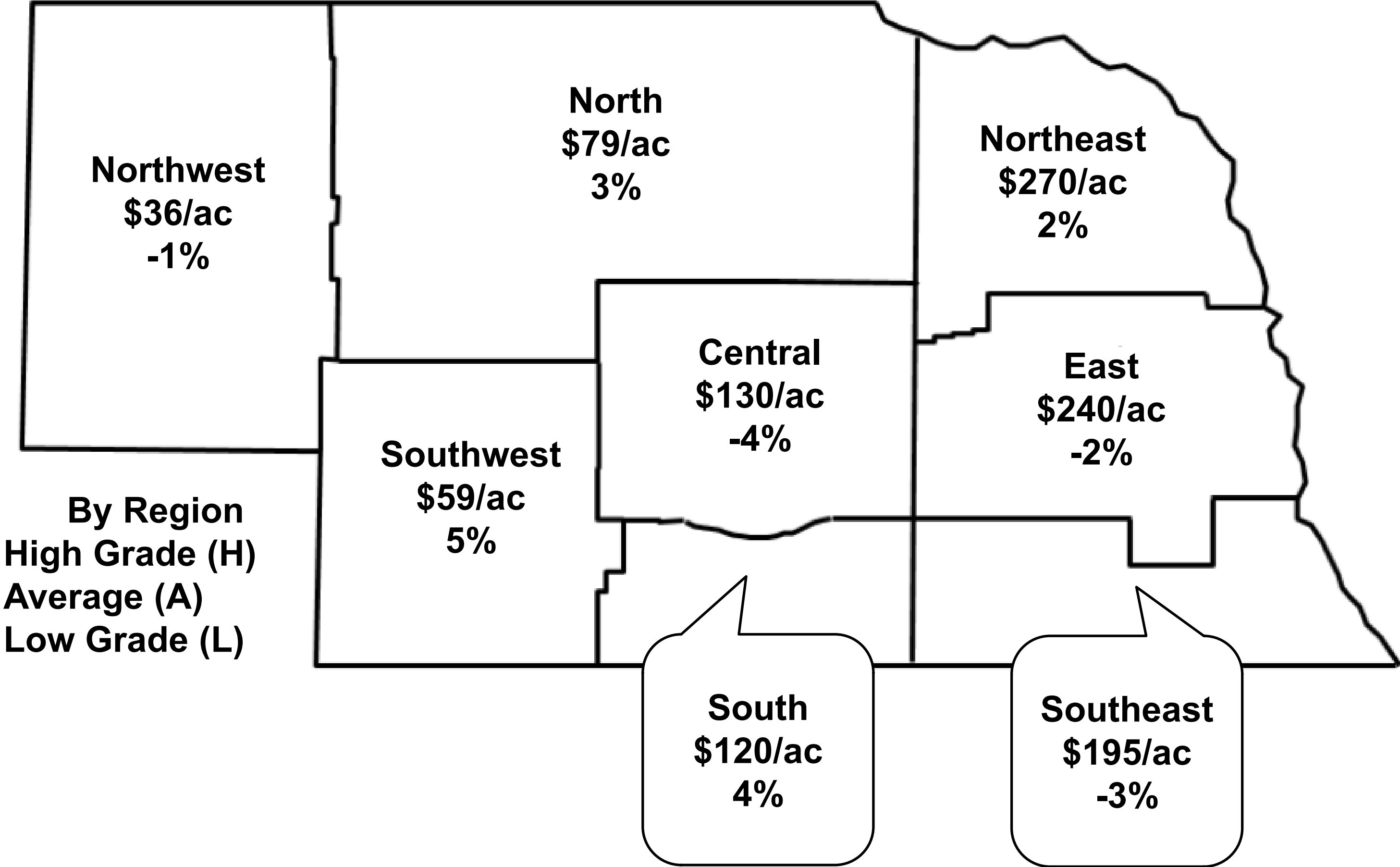


Nebraska Average Land Value and Corn Price, 1979-2024



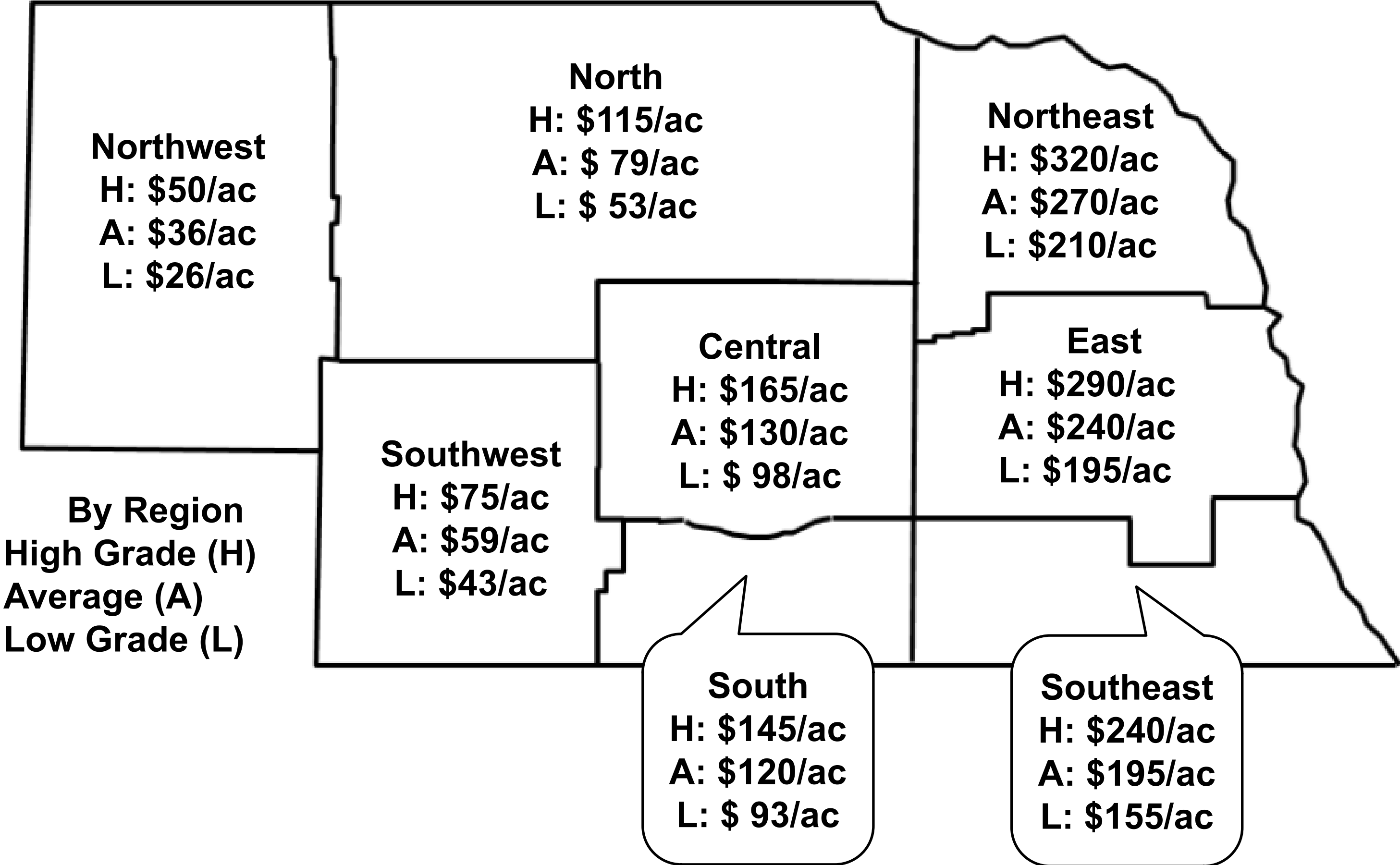
Nebraska Dryland Cropland Rental Rates – 2024

Final Report Estimates

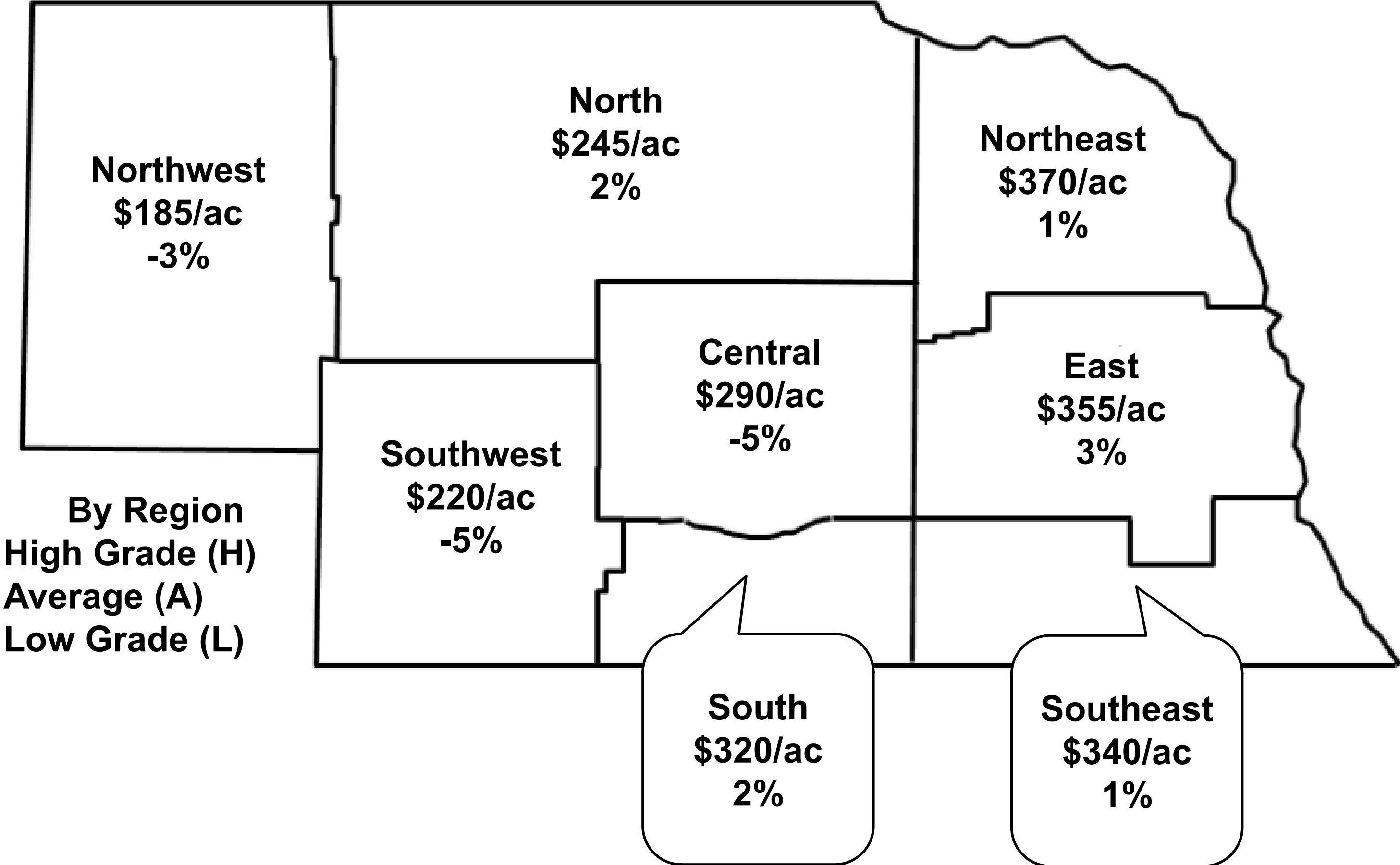


Nebraska Dryland Cropland Rental Rates – 2024

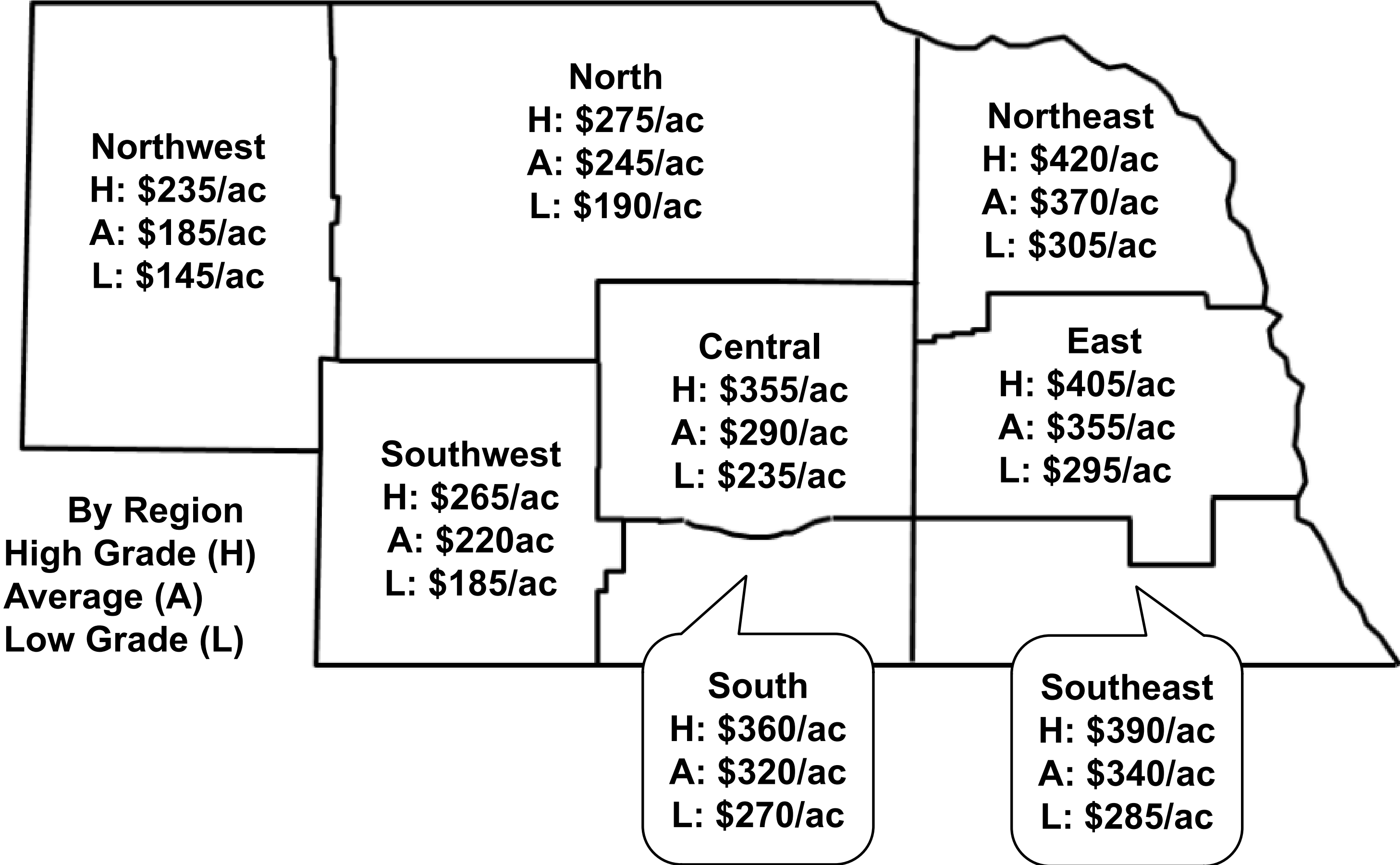
Final Report Estimates



Nebraska Center Pivot Cropland Rental Rates – 2024 Final Report Estimates

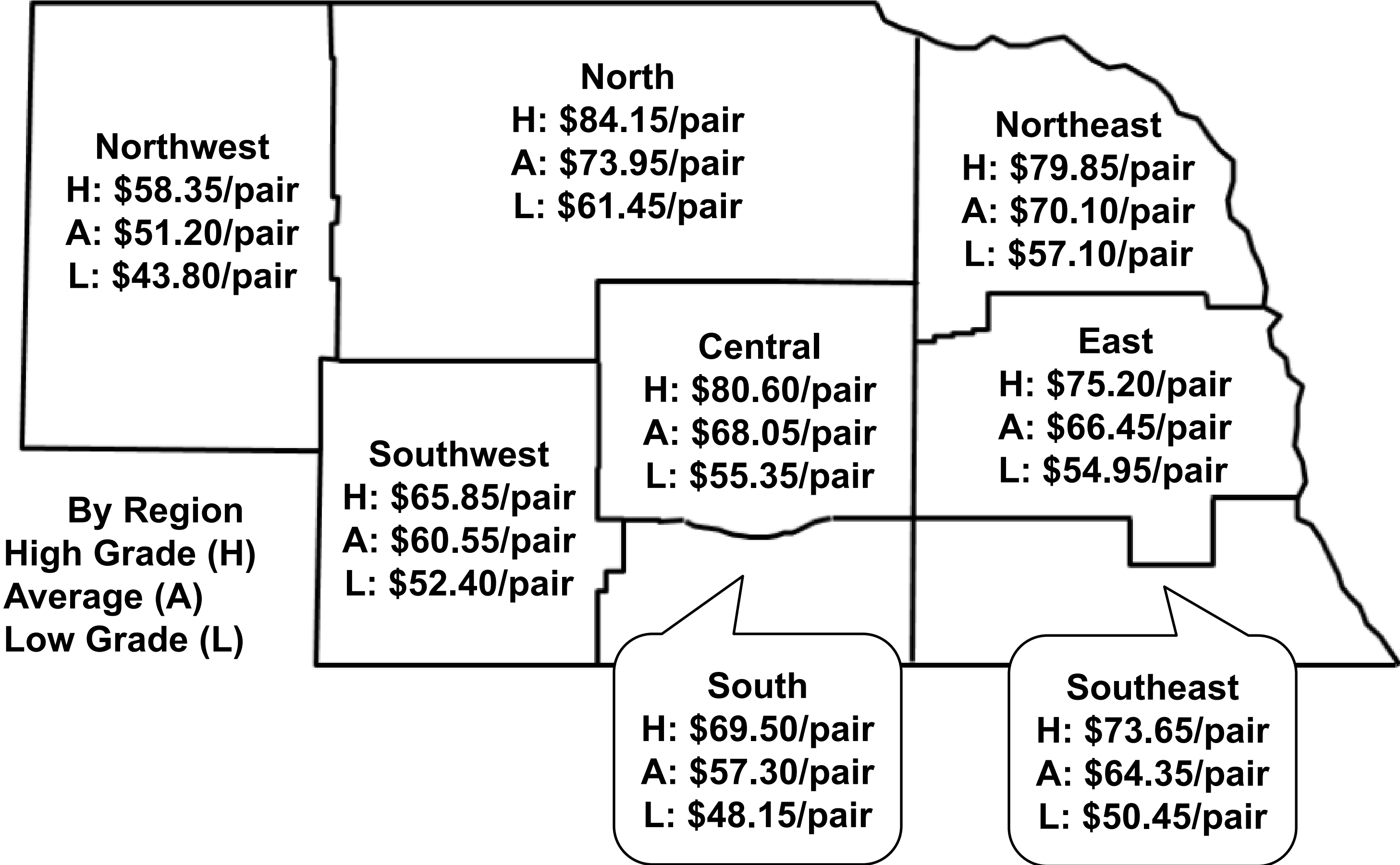


Nebraska Center Pivot Cropland Rental Rates – 2024 Final Report Estimates



Nebraska Cow-Calf Pair Monthly Rental Rates – 2024

Final Report Estimates



Cover Crop Practices for Cropland and Operators in 2022, by Agricultural Statistics District in NE^a

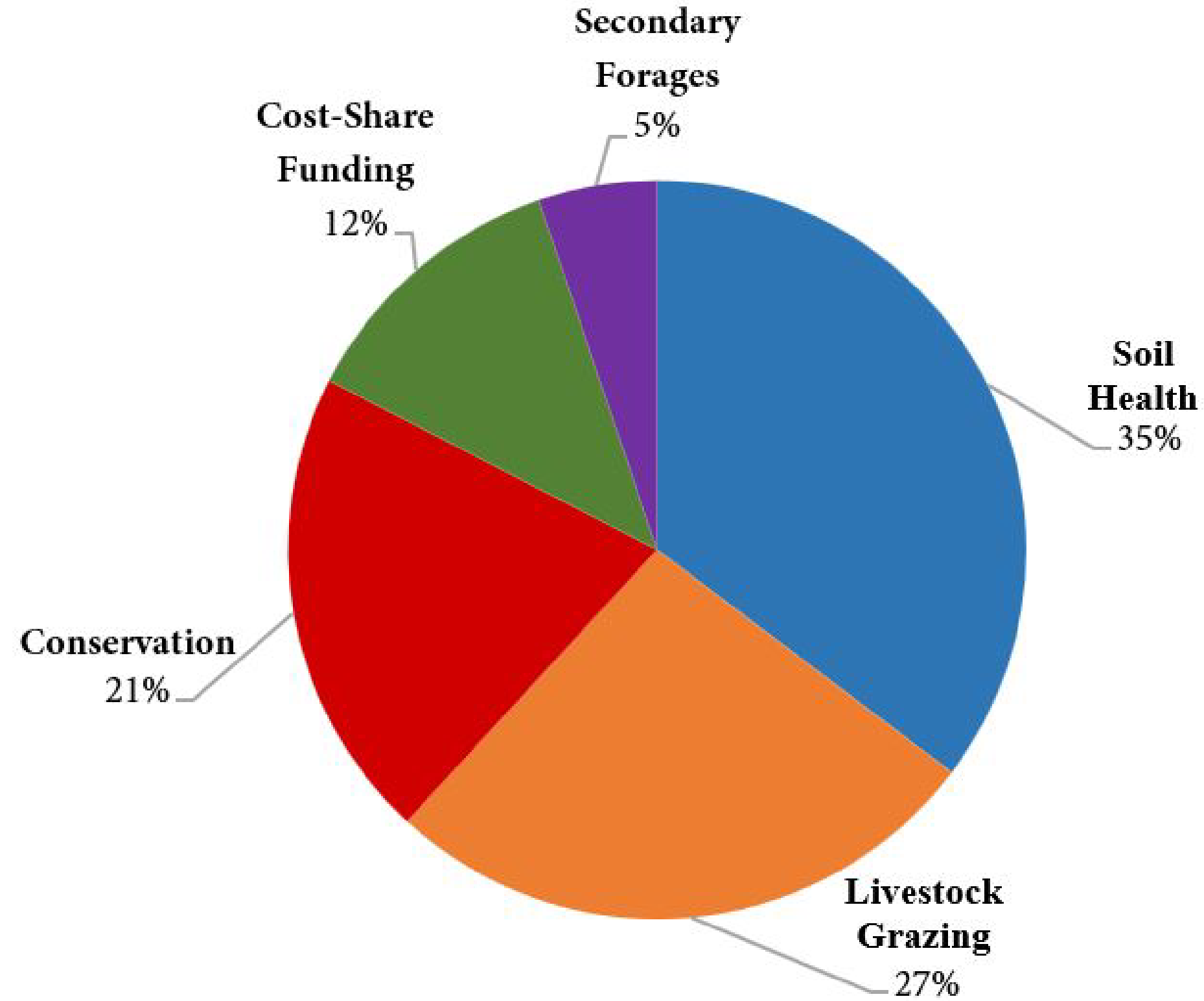
Agricultural Statistics District	Planted Acres		Cropland Acres Planted to Cover Crops	Number of Operators		Cropland Operators Planted Cover Crops
	Cover Crops	Cropland		Planted Cover Crops	Planted Cropland	
	----- Acres -----		--- Percent ---	----- Number -----		--- Percent ---
Northwest	53,069	2,912,029	1.8	308	3,597	8.6
North	92,422	1,885,073	4.9	356	2,551	14.0
Northeast	143,007	3,290,183	4.3	848	6,434	13.2
Central	113,184	2,020,548	5.6	569	3,594	15.8
East	209,926	3,904,590	5.4	1,097	9,386	11.7
Southwest	100,165	2,357,491	4.2	292	2,522	11.6
South	81,805	1,783,575	4.6	348	2,212	15.7
Southeast	131,466	3,064,030	4.3	659	6,055	10.9
State^b	925,686	21,217,519	4.4	4,477	36,351	12.3

Source: ^a 2022 Census of Agriculture, National Agricultural Statistical Service, USDA.

^b District values may not sum to state totals due to county-level disclosure.

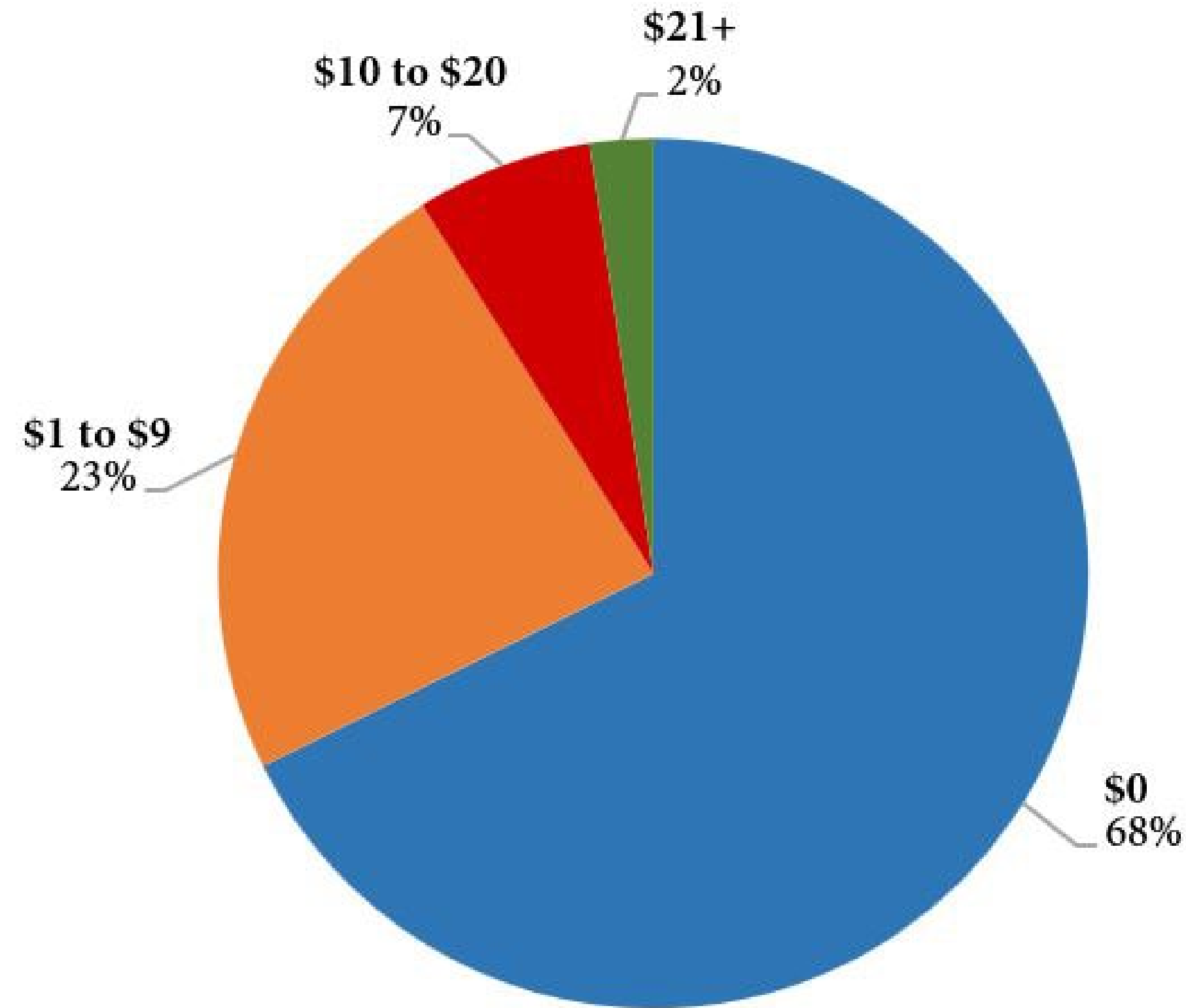


Motivation for Planting Cover Crops on Cropland in Nebraska



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Rental Discount in Dollars per Acre on Land Lease When Tenant Plants Cover Crops in Nebraska



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Landlord & Tenant Communication

Presented by Anastasia Meyer



Good Communication for Agricultural Leases

- Time to be “checking out” the crop or grazing land
 - Tenant should consider taking the landlord out to visit the rented property
- Time to be discussing issues about the rented property
 - Consider different methods for addressing the challenges
 - What strategies might be available to incentivize the other party to help remediate an issue
 - Look for weed control, disease, or insect damage
 - Consider soil conservation practices for the future
 - If irrigating, what equipment needs are there?



Things to Observe on a Farm Visit

- Conditions to note and discuss on rented properties
 - Cropland
 - Uneven plant stand may indicate wet spots in fields
 - Weed issues with resistance and disease/insect pressure
 - Maturity of plants
 - Grazing land
 - Forage height and condition of plants
 - Overall weed pressure
 - Noxious weeds or brush



Verbal Leases and Approaching Deadlines

- Strongly encourage to terminate all verbal leases (handshake or oral agreement) and change to a written contract
- State of Nebraska requirements for terminating a verbal lease
 - Prior to **September 1, 2024**, notification required to terminate a verbal lease for the 2025 growing year
 - Notification must be given six months prior to March 1, 2025
 - Cropland leases require a six-month termination notice, or the contract will automatically renew
 - Pasture leases are typically for five months and may not require a six-month termination notice



Value of a Written Lease

- Written leases carry a higher value over a verbal lease
 - Protects the rights of both parties under the contract
 - Specific duties and rights of each party spelled out in the contract
- Documents lease terms for unforeseen events
 - An unforeseen passing of either landlords or tenants may require another party to step in and manage the estate
 - An absentee third party may not have current knowledge or experience in the agricultural industry



Great Time to Review Leases

- Things to be considering:
 - Reviewing conservation practices
 - Non-cropland weed control
 - Timing of leasing payment
 - When is your lease termination notice date?
 - Look over all other provisions



When Should A Lease Be Renegotiated?

- Maybe this is done at the same time every year
 - Avoids confusion and mistrust issues
- Does not have to be by September 1 (verbal lease termination deadline)
- No specific recommendation – just encouraging good communications
 - Tenants may desire renegotiating a lease early on to provide more certainty for securing crop inputs



AgLease101.org – Free PDF Leases

Ag Lease 101

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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.







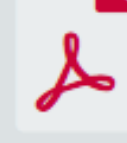

AgLease101.org – Free PDF Leases

Lease Publications

Lease Publications

-  [Fixed and Flexible Cash Rental Arrangements for Your Farm](#)
(NCFMEC-01)
-  [Crop Share Rental Arrangements For Your Farm](#)
(NCFMEC-02)
-  [Pasture Rental Arrangements For Your Farm](#)
(NCFMEC-03)
-  [Rental Agreements For Farm Buildings and Livestock Facilities](#)
(NCFMEC-04)
-  [Purchasing and Leasing Farm Equipment](#)
(NCFMEC-05)
-  [Beef Cow Rental Arrangements For Your Farm](#)
(NCFMEC-06)
-  [Farm Building Rental Rate Survey](#)
(NCFMEC-07)

Lease Forms

-  [Cash Farm Lease](#)
(NCFMEC-01A)
-  [Crop Share Farm Lease Cash Farm Lease Cash Farm Lease](#)
(NCFMEC-02A)
-  [Pasture Lease](#)
(NCFMEC-03A)
-  [Farm Building or Livestock Facility Lease](#)
(NCFMEC-04A)
-  [Farm Machinery Lease for Non-commercial Transactions](#)
(NCFMEC-05A)
-  [Livestock Rental Lease](#)
(NCFMEC-06A)

Fillable PDF Forms

Ask an Expert

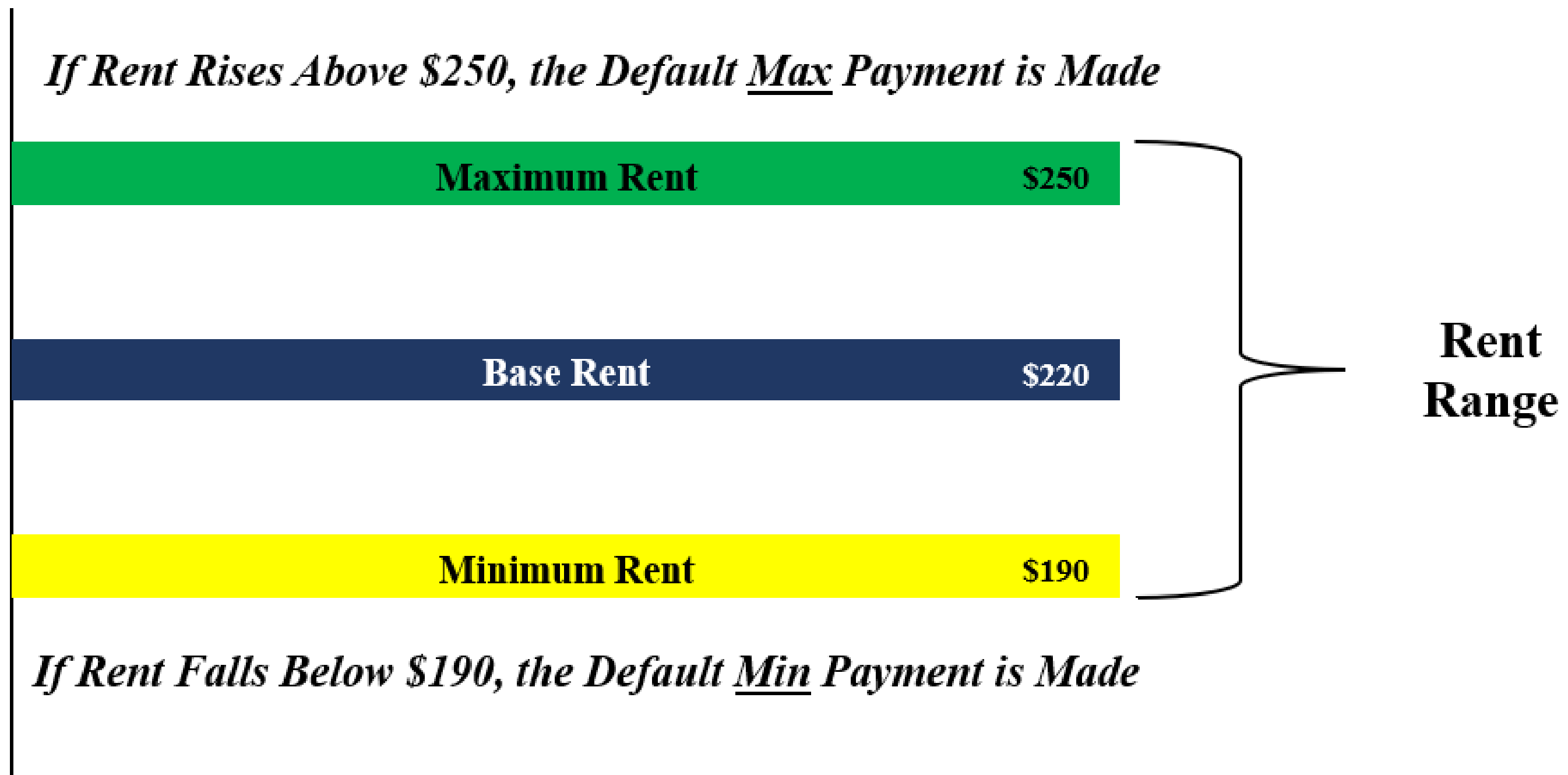
Presented by Jim Jansen & Anastasia Meyer



Land Management Questions

Question: How should a flexible cash lease be arranged (adjusted) with a rise or fall in grain prices?

Answer: A flex lease can account for changes in grain prices, crop yield, or revenue



Flexible Crop Lease

- Flexible lease where corn prices decrease and increase

Farm Base Rent	
Rental Rate	\$220/ac.
5-yr Farm APH	150 bu.
Planting Time Price Guarantee	\$4.66/bu.
Harvesting-Time Price Increase	
Actual Harvest Time Price Guarantee	\$5.11/bu.
Difference (\$5.11/bu. - \$4.66/bu.)	\$0.45/bu.
Percent Change $\frac{[\$5.11/\text{bu.} - \$4.66/\text{bu.}]}{[\$4.66/\text{bu.}]} \times 100$	9.7 %
Final Rent	
Rental Rate	\$220/ac.
Percent Increase in Rent (\$220 x 9.7%)	\$21/ac.
Final Rent	\$241/ac.

Farm Base Rent	
Rental Rate	\$220/ac.
5-yr Farm APH	150 bu.
Planting Time Price Guarantee	\$4.66/bu.
Harvesting-Time Price Decrease	
Actual Harvest Time Price Guarantee	\$4.21/bu.
Difference (\$4.21/bu. - \$4.66/bu.)	-\$0.45/bu.
Percent Change $\frac{[\$4.21/\text{bu.} - \$4.66/\text{bu.}]}{[\$4.66/\text{bu.}]} \times 100$	-9.7 %
Final Rent	
Rental Rate	\$220/ac.
Percent Decrease in Rent (\$220 x -9.7%)	-\$21/ac.
Final Rent	\$199/ac.



Land Management Questions

Question: What provisions need to be in a verbal lease termination letter?

- **Answer:** Proper termination letters need to have the appropriate information for the parties and rented property. Things to include in a termination letter might include:
 - Date
 - Name and address of landlord and tenant
 - Legal description of property
 - Terms stating the termination of the lease
 - Removal of personal property by “xx” date (usually by end of lease)
- Consider consulting an attorney who may send out a termination letter for a nominal fee
- Send via Certified Mail with return receipt



Land Management Questions

Question: If the ground will be sold and the current lease ends on February 29, 2025 - does notification need to be given to the tenant on lease termination?

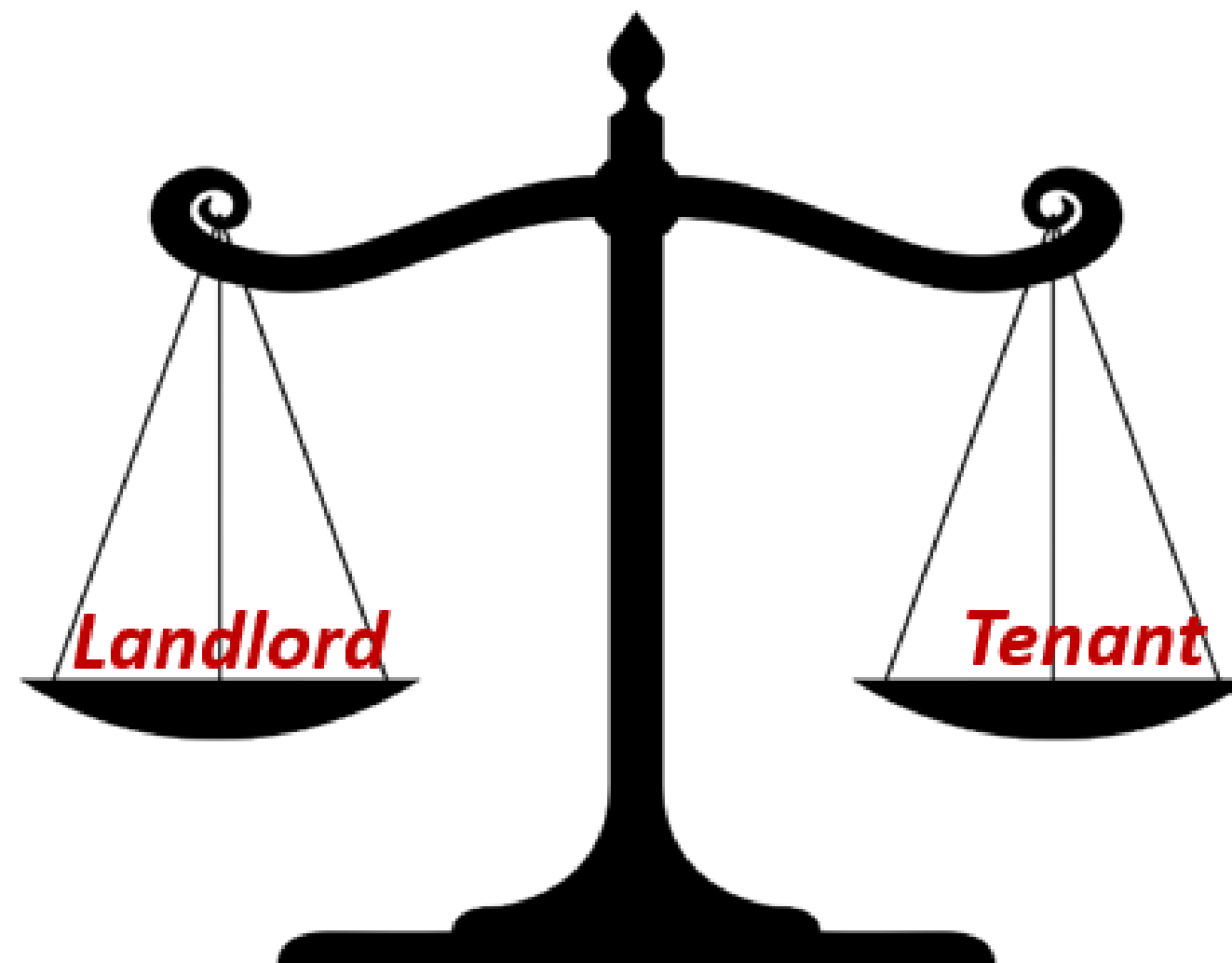
- **Answer:** Professional courtesy should be shown to the other party any time major changes are made to the ownership of land
 - Notifying sooner rather than later important so the tenant may make adjustments
 - What does the lease contain related to termination?
 - Written lease – does the lease end or contain a rollover clause?
 - Verbal lease requires termination prior to September 1, 2024
 - Any existing lease not terminated (or ended) will rollover to the new owner!



Land Management Questions

Question: What is the best way to structure a crop share lease agreement? What provisions should be in the agreement?

- **Answer:** Consider the following income or expenses:
 - Revenue from crop sales
 - Crop Insurance payments – if purchased by either party
 - Government disaster payments (when paid)



Land Management Questions

Question: What is the best way to structure a crop share lease agreement? What provisions should be in the agreement?

- **Answer:** Consider the following income or expenses:

Landlord (Landowner)

- **ALL Expenses**

- Land taxes
- Irrigation operation and maintenance fees
- Irrigation ownership costs – depreciation, insurance, major repairs, taxes, interest

- **Their share of:**

- Crop Insurance
- Fertilizer, insecticide, fungicide, and herbicide
- Energy for irrigation
- Seed

- **Markets their share of the crop**

Tenant

- **ALL Expenses**

- Labor
- Minor irrigation equipment repairs & maintenance
- All field operations
- Cost of transporting landlord's share of crop to designated location (negotiable)

- **Their share of:**

- Crop Insurance
- Fertilizer, insecticide, fungicide, and herbicide
- Energy for irrigation
- Seed

- **Markets their share of the crop**



Land Management Questions

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



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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 Landlord & Tenant Cash Rent Meetings

- **Aug. 20** in Nebraska City: 1-4 p.m., Kimmel Orchard, 402-269-2301.
- **Aug. 22** in Lincoln: 10:30 a.m.-2 p.m. Lancaster County Ext. Office, 402-441-7180. Lunch included.
- **Aug. 27** in Columbus: 1-4 p.m. Platte County Ext. Office, 402-563-4901.
- **Aug. 28** in Fairbury: 1-4 p.m. at Heartland Bank, 402-729-3487.
- **Sept. 4** in Omaha: 10:30 a.m.-2:30 p.m. Douglas-Sarpy Counties Ext. Office, 402-444-7804. Lunch included.



Upcoming Webinar: Mon. Nov. 18, 2024, at 12:00 PM CT

Topics:

- USDA Land Management Highlights
 - 2025 county-level cash rental rate estimates
 - ARC & PLC Farm Program Payments
- Landlord & Tenant Communication
 - Harvest season reports and closing out the lease
 - Considerations for leases in 2025
- Ask an Expert
 - Review of submitted questions and from meeting participants
 - Upcoming land management workshops and publications



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