



AGRICULTURAL

LAND MANAGEMENT QUARTERLY

WEBINAR SERIES

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Agricultural Land Management Quarterly Presenters

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Jim Jansen

Agricultural Economist
University of Nebraska-Lincoln
jjansen4@unl.edu
402-261-7572

webpage: cap.unl.edu/realestate

Allan Vyhnalek

Farm & Ranch Succession and Transition
University of Nebraska-Lincoln
Extension Educator Emeritus

webpage: cap.unl.edu/succession





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Outline of topics, November 20, 2023

- **Topics**
- USDA Land Management Highlights
 - 2023 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 2024
- Ask an Expert
 - Review of submitted questions
 - Upcoming land management workshops and publications



2023 USDA-National Agricultural Statistics Service Cash Rent Survey

Presented By Jim Jansen



USDA-National Agricultural Statistics Service

Cash Rent Survey

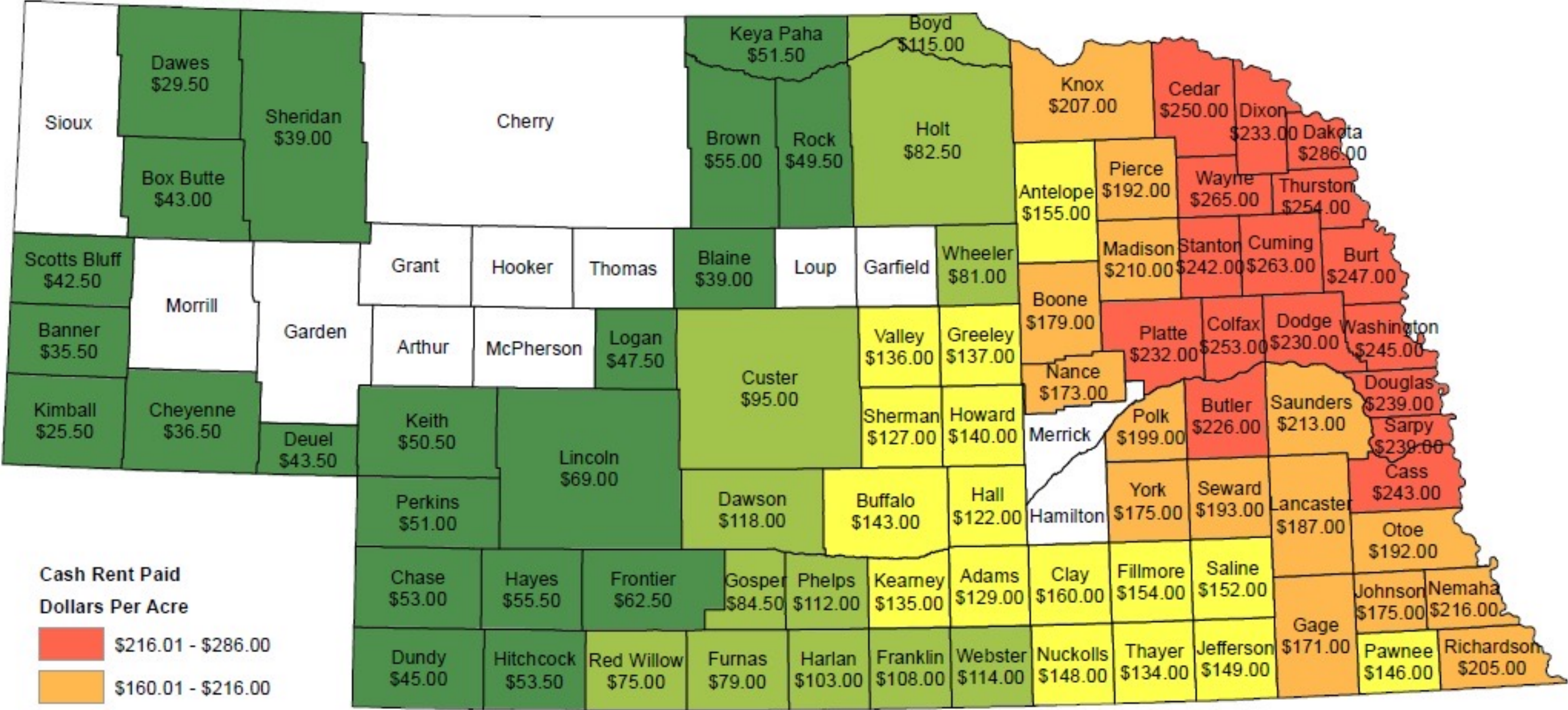
- Biennial survey conducted by the USDA-National Agricultural Statistics Service (NASS) of farmers and ranchers
 - Survey starts in late-winter and conducted through mid-summer of odd-numbered years (occasionally in even-numbered years)
 - Analysis published around the second week of September
- Nebraska county estimates in addition to other resources may be found at:

www.nass.usda.gov/Statistics_by_State/Nebraska/Publications/County_Estimates/



Nebraska Dryland Cropland Rental Rates–2023

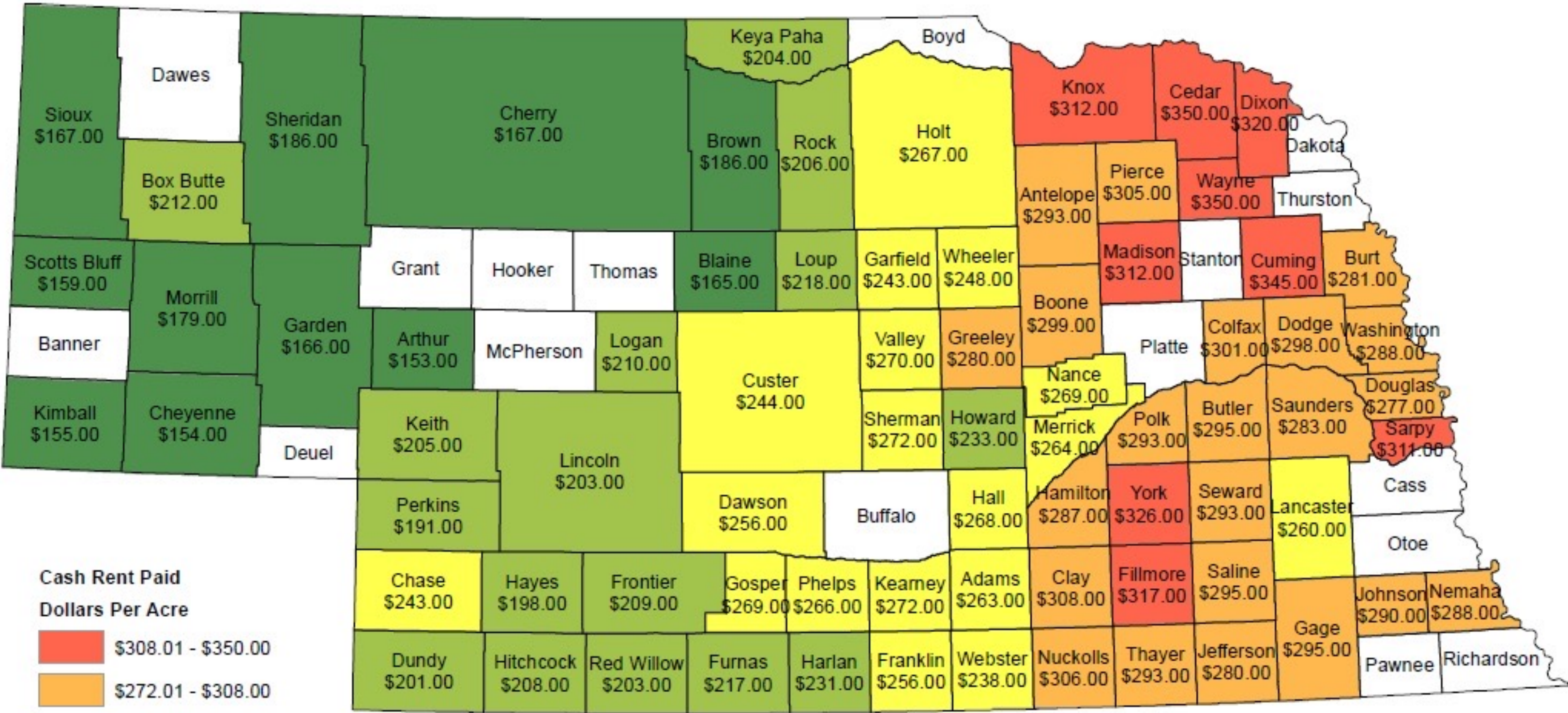
USDA-National Agricultural Statistics Service



Website: www.nass.usda.gov/Statistics_by_State/Nebraska/Publications/County_Estimates/

Nebraska Irrigated Cropland Rental Rates–2023

USDA-National Agricultural Statistics Service



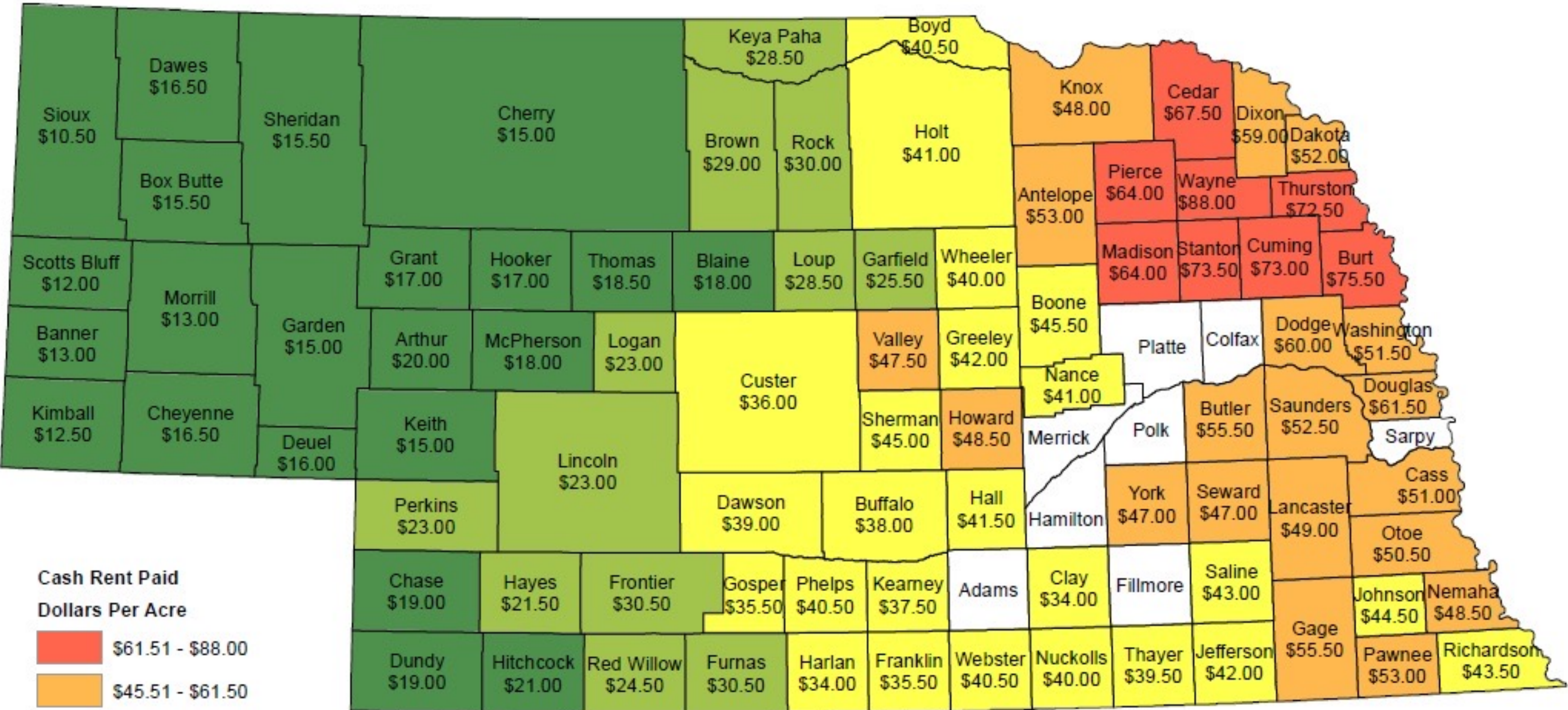
Cash Rent Paid
Dollars Per Acre

- \$308.01 - \$350.00
- \$272.01 - \$308.00
- \$233.01 - \$272.00
- \$186.01 - \$233.00
- \$153.00 - \$186.00
- Not Published

Website: www.nass.usda.gov/Statistics_by_State/Nebraska/Publications/County_Estimates/

Nebraska Grazing Land Rental Rates–2023

USDA-National Agricultural Statistics Service



Website: www.nass.usda.gov/Statistics_by_State/Nebraska/Publications/County_Estimates/

USDA-Farm Service Agency ARC & PLC Farm Program Payments

Presented by Jim Jansen

Analysis conducted by Brad Lubben

Dept. Ag Econ, UNL



Farm Income Situation & Outlook



CENTER FOR AGRICULTURAL PROFITABILITY
Institute of Agriculture and Natural Resources



**Rural & Farm Finance
Policy Analysis Center**
University of Missouri

Present



NEBRASKA AND U.S. FARM INCOME UPDATE AND OUTLOOK - FALL 2023



OCT. 12, 2023 / NOON CT



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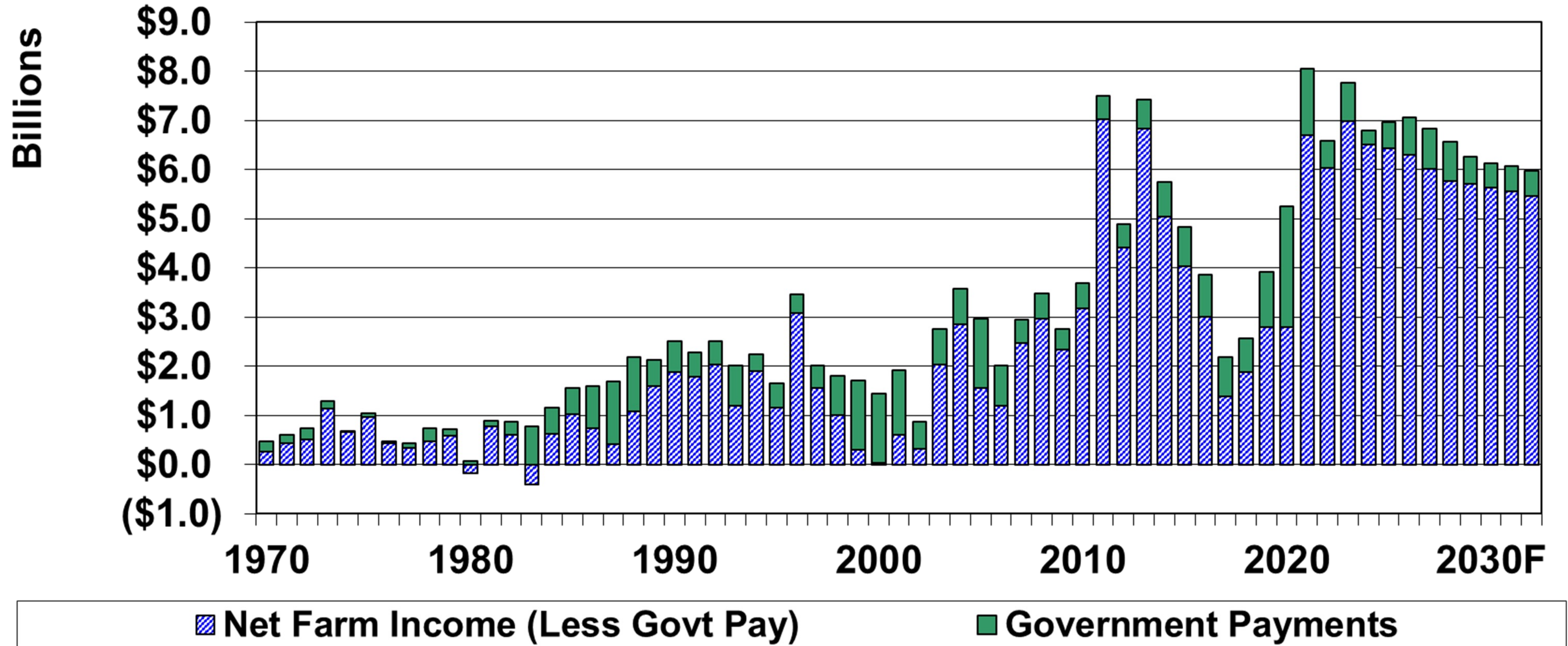
WEBINAR

Webinar - Oct. 12, 2023: <https://cap.unl.edu/policy-legal/nebraska-and-us-farm-income-update-and-outlook-oct-12-2023-webinar>



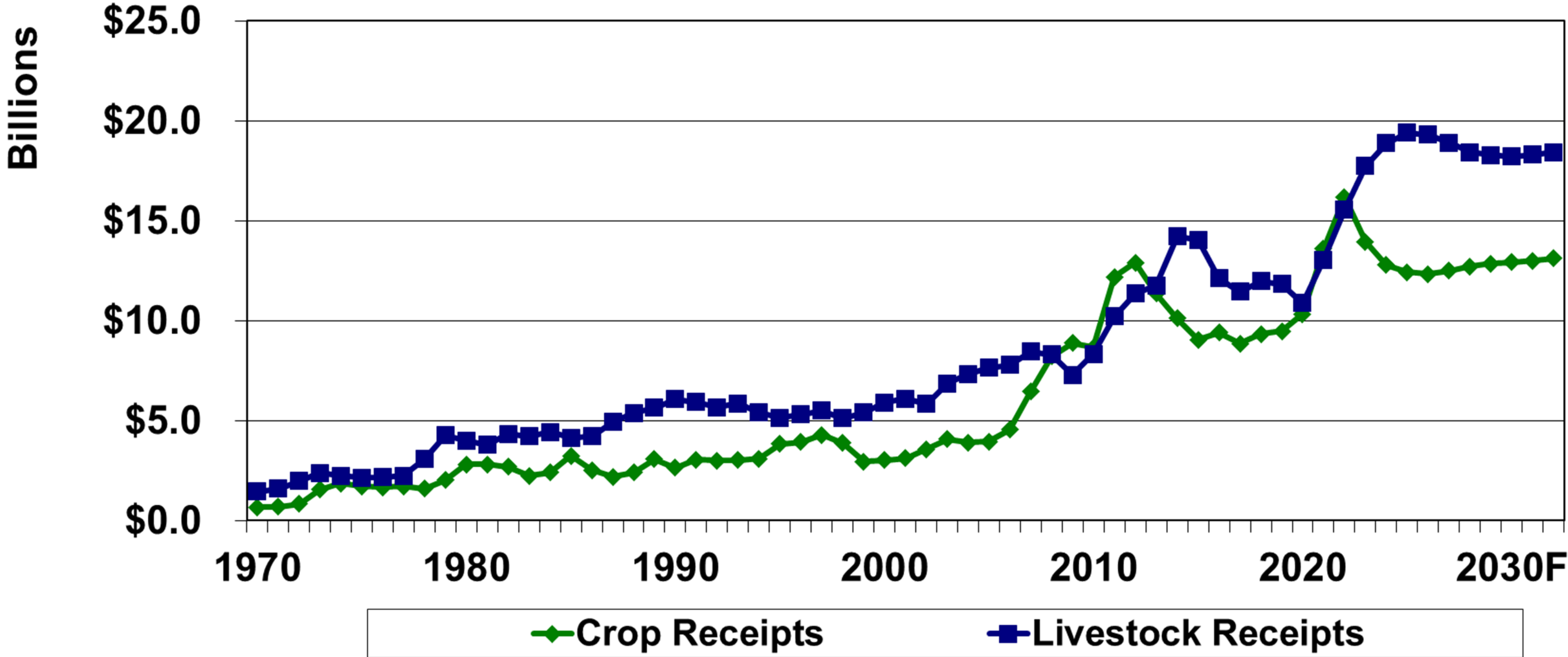
CENTER FOR AGRICULTURAL PROFITABILITY

Nebraska Farm Income



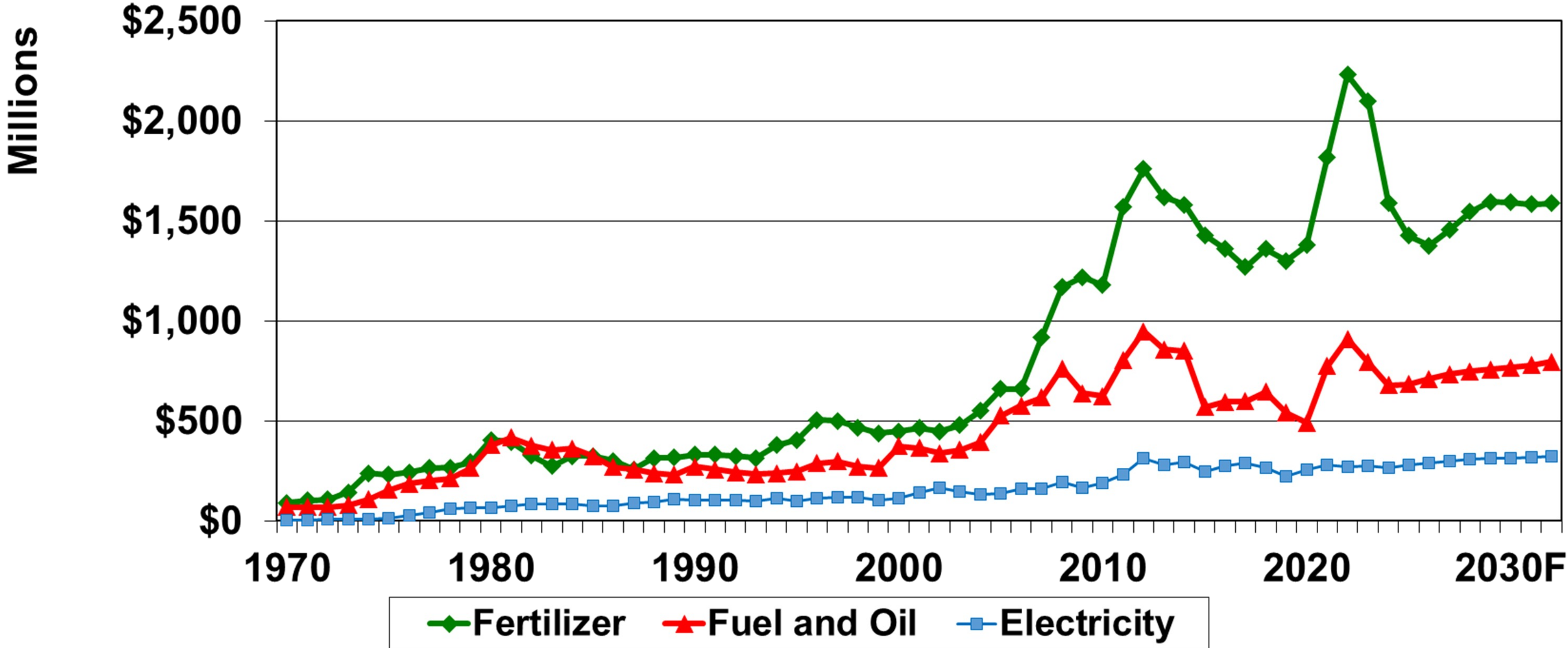
Source: USDA-ERS, FAPRI, RaFF, and author calculations presented in Nebraska and U.S. Farm Income Update and Outlook Webinar, October 12, 2023, B. Lubben and S. Brown.

Nebraska Farm Receipts



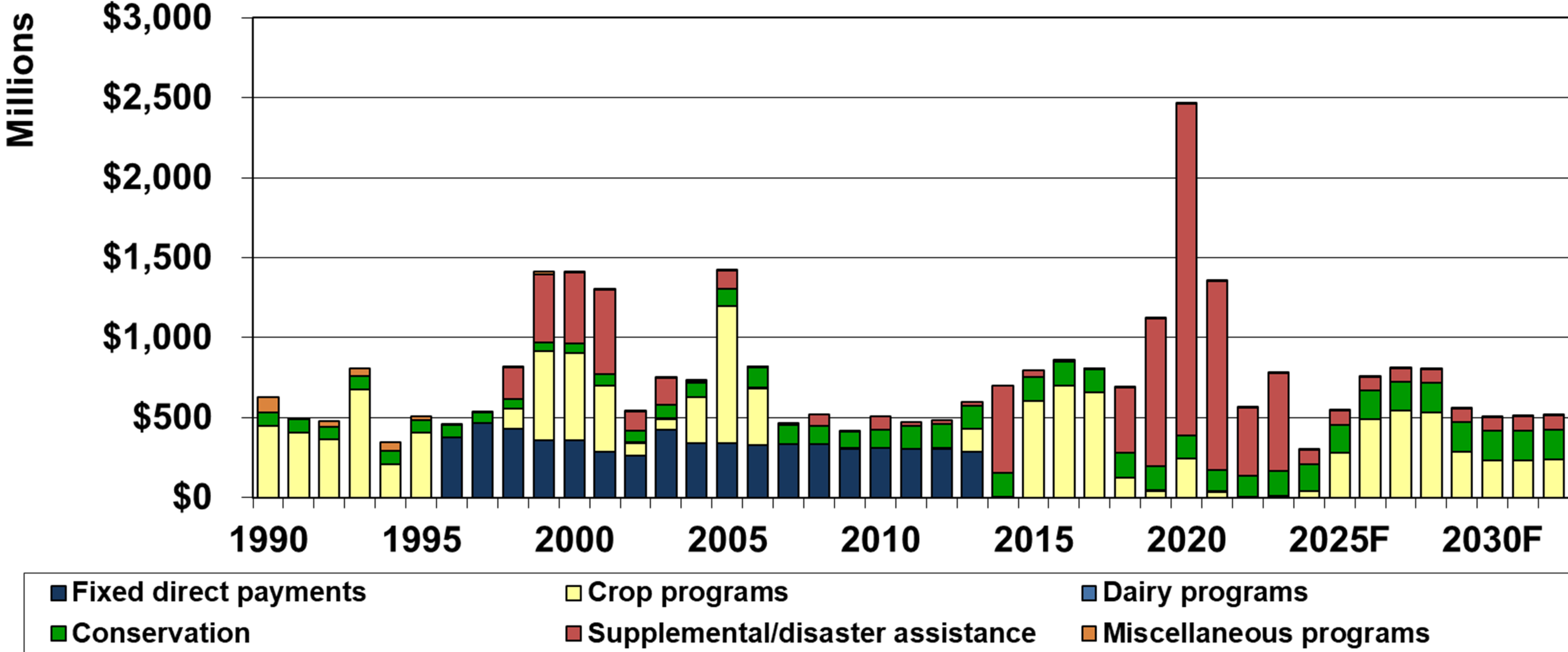
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Nebraska Farm Receipts



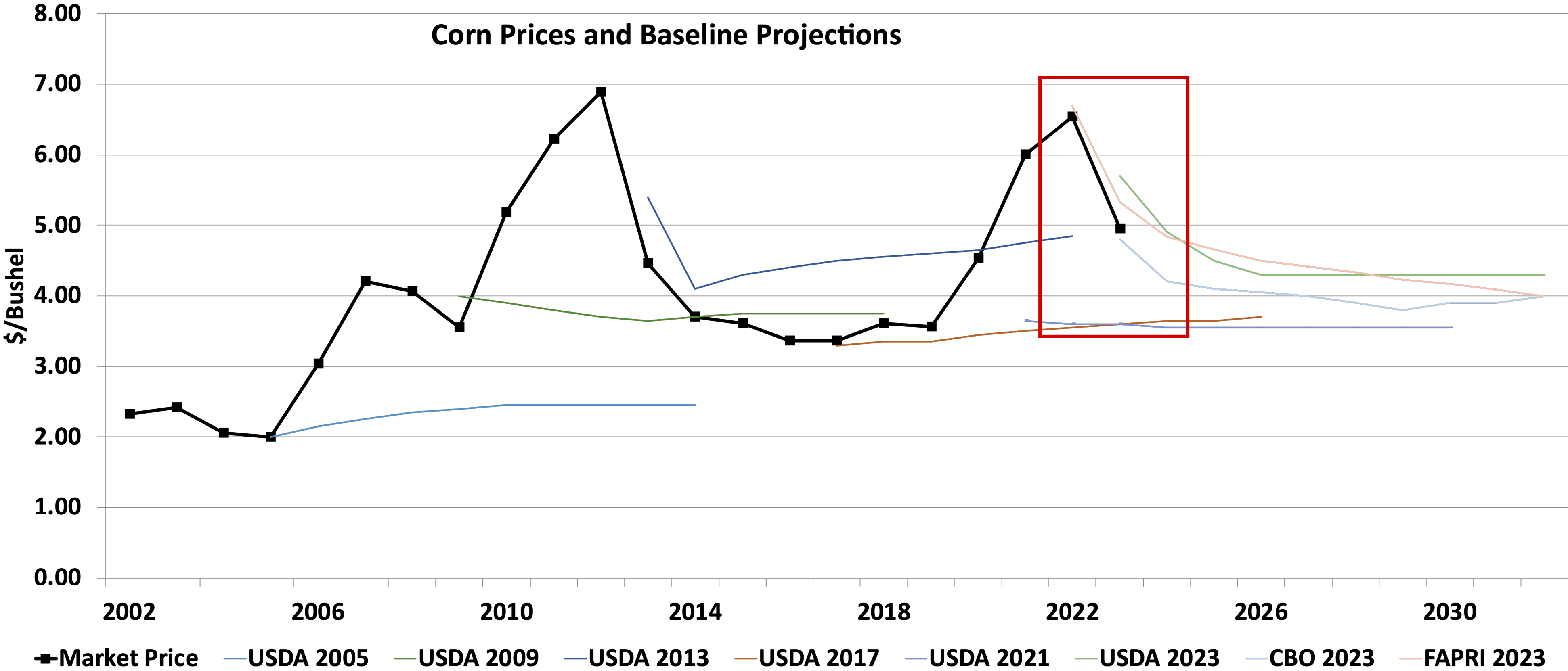
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Nebraska Farm Receipts



Source: USDA-ERS, FAPRI, RaFF, and author calculations presented in Nebraska and U.S. Farm Income Update and Outlook Webinar, October 12, 2023, B. Lubben and S. Brown.

Nebraska Farm Receipts



Source: USDA-WAOB, USDA-OCE, CBO, and FAPRI, and author calculations as of August 2023, B. Lubben.

ARC & PLC – Projected 2023 Crop Payment Rates (Paid in 2024)

Commodity	Effective Reference Price	ARC Benchmark Price	Projected National Marketing Year Average Price	Projected PLC Payment Rate	Projected % Price Change Needed to Trigger PLC	Projected % Price Change from ARC Benchmark	Projected % Revenue Change Needed to Trigger ARC
Corn	\$3.70	\$3.98	\$4.95	\$0.00	-25%	24%	-31%
Grain Sorghum	\$3.95	\$4.31	\$4.95	\$0.00	-20%	15%	-25%
Soybeans	\$8.40	\$9.57	\$12.90	\$0.00	-35%	35%	-36%
Wheat	\$5.50	\$5.50	\$7.30	\$0.00	-25%	33%	-35%

*** Payment rates for PLC and trigger levels for PLC and ARC based on projected prices from USDA-WAOB and USDA-FSA along with author calculations as of August 2023.**



Landlord & Tenant Communication

Presented by Allan Vyhnalek



Good Communication for Agricultural Leases

Erosion:

- Now is also a good time to visit the farm – observe:
 - Erosion issues (ditches), talk between landlord and tenant about solving
 - Weed pressures – do you consider a fall application for weed control?



Good Communication for Agricultural Leases

- How is yield information shared?
 - On crop share leases – what information is known?
 - What about cash leases?
 - Can the landowner ask for this?
 - What about yield data from the monitor in the combine?



Good Communications - continued

- Cornstalks
 - Who gets to use the cornstalks?
 - Is there a rent charged for using cornstalks?
 - Grazing stalks – any concerns?
 - How do we manage the baling of cornstalks?

- Baling cornstalks
 - Consider frequency



Good Communications - continued

- Manure applications to farmland
 - Overall, still a very good product
 - Consider how often manure is applied
 - Recommended that you apply according to Phosphorus requirements



Good Communications - continued

- Hunting Season is here – How is that Managed?
 - With cropland and a cash lease, the hunting rights go to the tenant
 - With pasture, hunting rights stay with the landlord typically
 - There are exceptions!



Considerations for 2024

- What should happen to cash leases?
 - Input costs are way up for producers
 - Uncertainty remains in crop prices and drought (especially parts of southeast Nebraska)
- Crop prices remain good, but what about expenses?
- Push a sharp pencil and evaluate the equitable split (consider crop share or flexible leases)



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 older 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



AgLease101.org – Free PDF Leases

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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

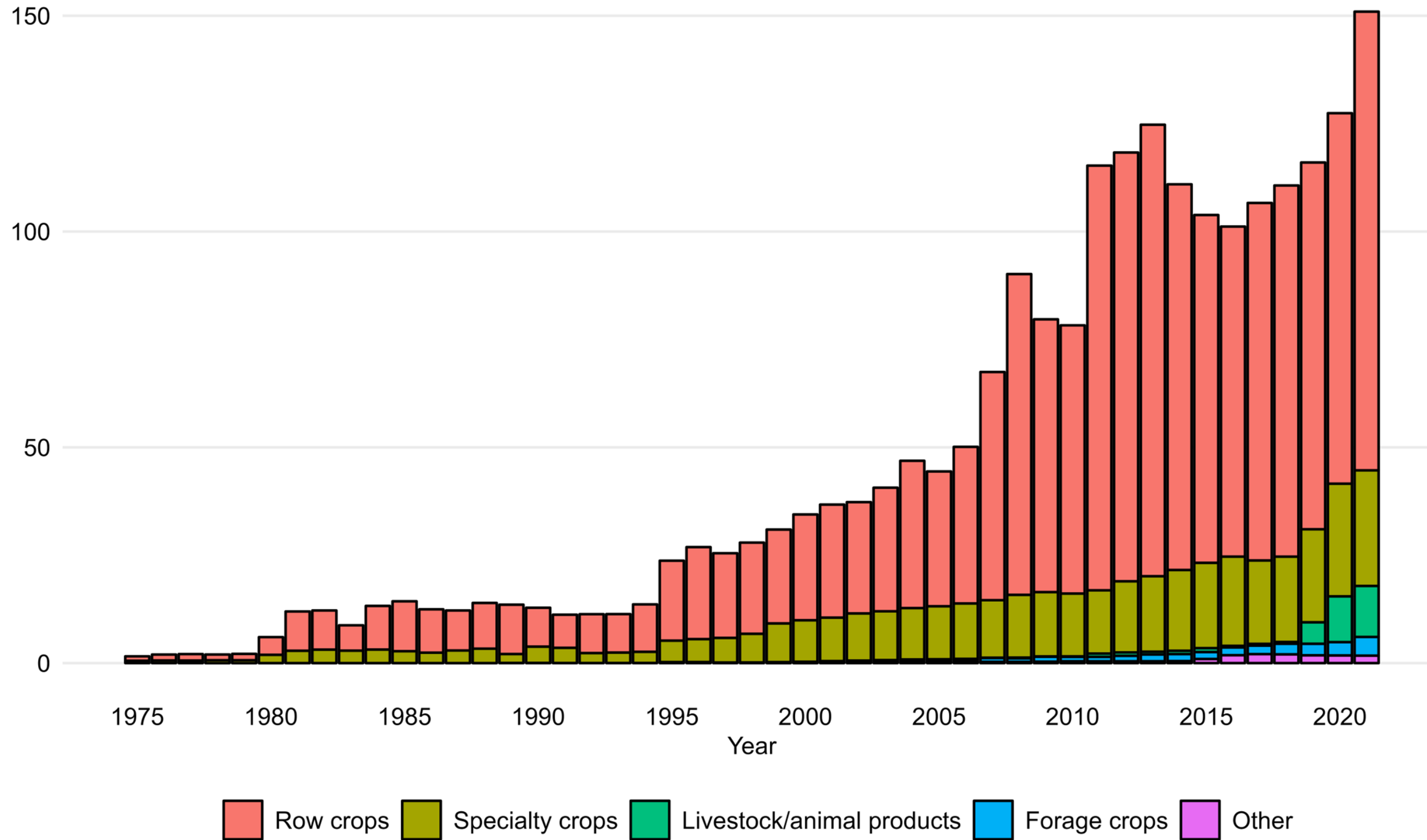
Presented by Jim Jansen & Allan Vyhnalek



Land Management Questions

Question: What are the majority of farmers choosing for a crop insurance policy?

Answer: U.S. dollars (billion)

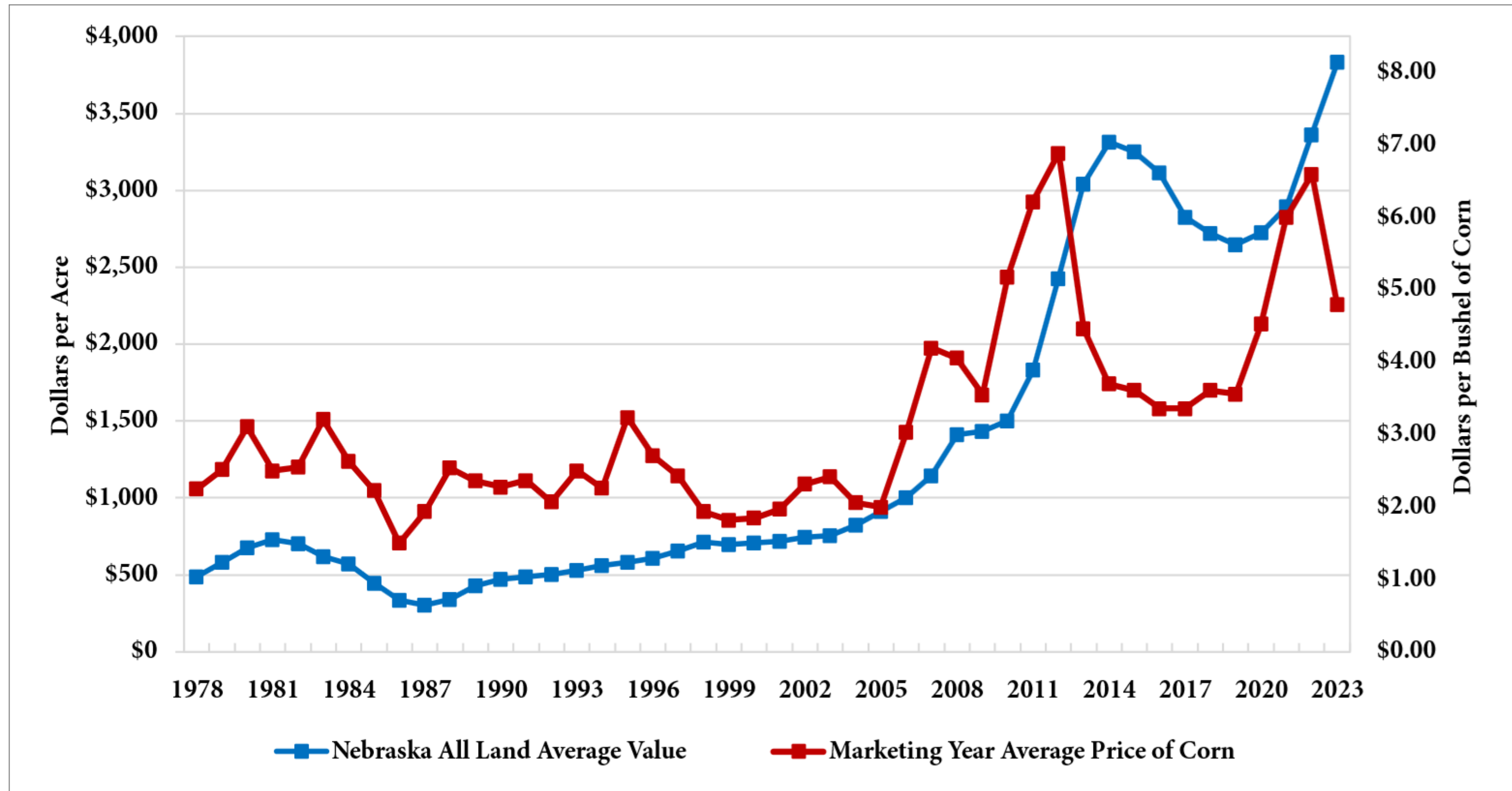


Source: Crop Insurance at a Glance, May 3, 2023; USDA-ERS

Land Management Questions

Question: Where are land prices & cash rental rates headed in the future? Could land prices or rents level-off or drop?

Answer:

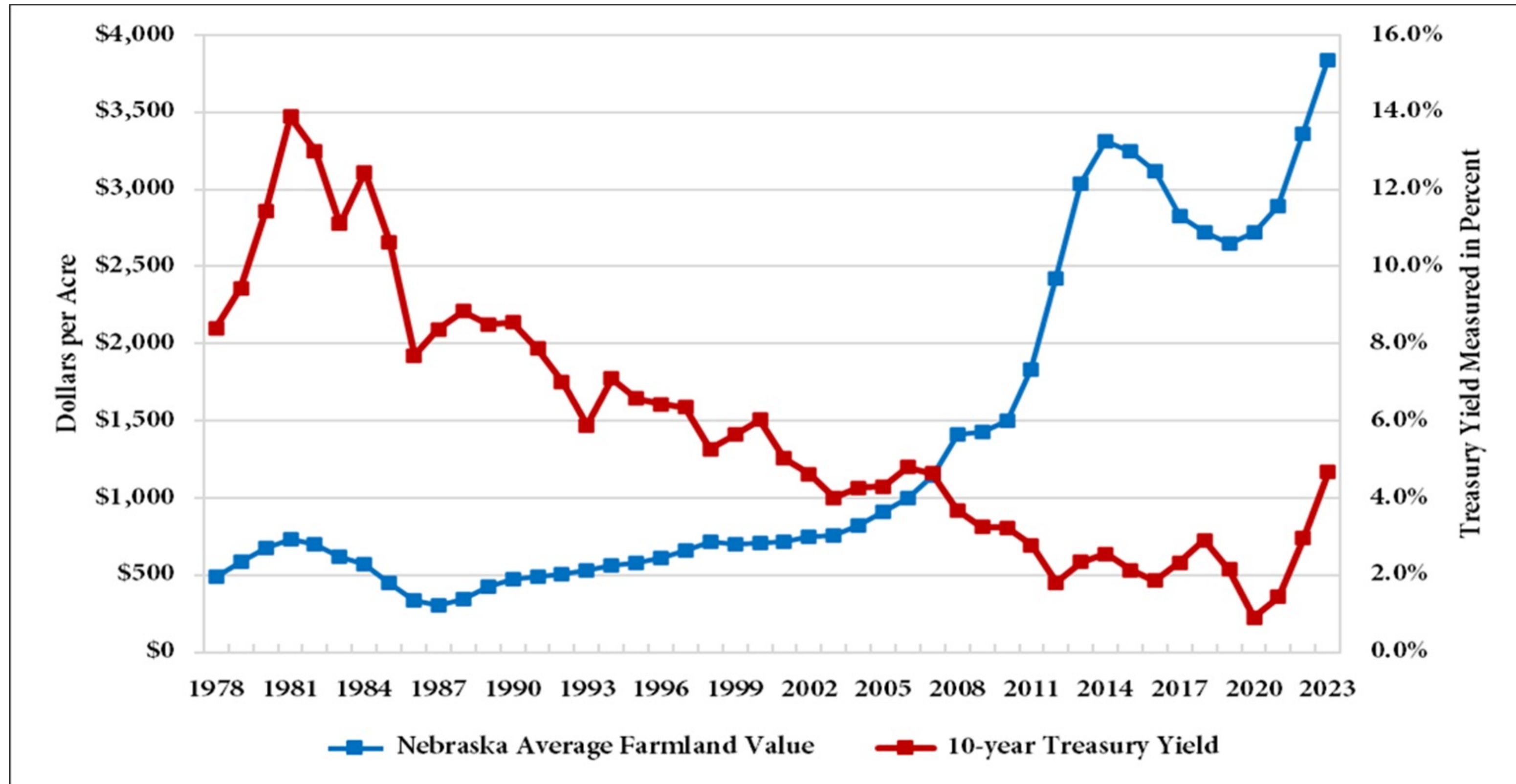


Source: UNL Nebraska Farm Real Estate Market Surveys, 1978-2023

Land Management Questions

Question: Where are land prices & cash rental rates headed in the future? Could land prices or rents level-off or drop?

Answer:



Source: UNL Nebraska Farm Real Estate Market Surveys, 1978-2023

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
- 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, 2024 - 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, 2023
 - Any existing lease not terminated (or ended) will rollover to the new owner!



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.

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University of NE Foundation

Ph: 800-432-3216

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Upcoming Landlord & Tenant Cash Rent Meetings

For more information web page: cap.unl.edu/land24

- **November and December 2023**

- **Nov. 28 in Mead**, 10:30 a.m.-2 p.m., at Nebraska Extension in Saunders County, 1071 County Road G, Ithaca, Nebraska. Register by Nov. 27 at 402-624-8030.
- **Nov. 29 in Norfolk**, 10:30 a.m.-2 p.m., at Midwest Bank (Main Branch), 2601 W. Cooper Drive. Register by Nov. 28 at 402-370-4040.
- **Nov. 30 in York**, 1-4 p.m., at Cornerstone Bank, 529 Lincoln Ave. Register by Nov. 29 at 402-362-5508.
- **Dec. 4 in Lexington**, 10:30 a.m.-2 p.m., at Nebraska Extension in Dawes County, 1002 Plum Creek Parkway. Register by Dec. 3 at 308-324-5501.
- **Dec. 6 in O'Neill**, 1-4 p.m., at Nebraska Extension in Holt County, 128 N. 6th St., Suite 100. Register by Dec. 5 at 402-336-2760.



Upcoming Landlord & Tenant Cash Rent Meetings

For more information web page: cap.unl.edu/land24

• December 2023

- **Dec. 7 in Ord**, 10:30 a.m.-2 p.m., at Nebraska Extension in Valley County, 801 S St. Register by Dec. 6 at 308-728-5071.
- **Dec. 12 in West Point**, 10:30 a.m.-2 p.m., at the Nielsen Community Center, 200 Anna Stalp Ave. Register by Dec. 11 at 402-372-6006.
- **Dec. 13 in Beatrice**, 10:30 a.m.-2 p.m., at Nebraska Extension in Gage County, 1115 W. Scott St. Register by Dec. 12 at 402-223-1384.
- **Dec. 13 in Alliance**, 1-4 p.m., at Nebraska Extension in Box Butte County, 415 Black Hills Ave. Register by Dec. 12 at 308-762-5616.
- **Dec. 14 in Sidney**, 9 a.m.-noon, at South Platte Natural Resources District, 551 Parkland Drive. Register by Dec. 13 at 308-254-4455.
- **Dec. 19 in Dakota City**, 10:30 a.m.-2 p.m., at Nebraska Extension in Dakota County, 1505 Broadway. Register by Dec. 18 at 402-987-2140.



Upcoming Landlord & Tenant Cash Rent Meetings

For more information web page: cap.unl.edu/land24

- **January or February 2024**

- **Jan. 24 in Hastings**, 1-4 p.m., at Nebraska Extension in Adams County, 2975 S. Baltimore Ave. Register by Jan. 23 at 402-461-7209.
- **Jan. 25 in Wayne**, 10:30 a.m.-2 p.m., at the Wayne Fire Hall, 510 Tomar Drive. Register by Jan. 24 at 402-375-3310.
- **Feb. 1 in Kearney**, 10:30 a.m.-2 p.m., at Nebraska Extension in Buffalo County, 1400 E. 34th St. Register by Jan. 31 at 308-236-1235.
- **Feb. 6 in Lincoln**, 10:30 a.m.-2 p.m., at Nebraska Extension in Lancaster County, 444 Cherrycreek Road. Register by Feb. 5 at 402-441-7180.
- **Feb. 21 in Central City**, 1-4 p.m., at Nebraska Extension in Merrick County, 1784 Fairgrounds Road. Register by Feb. 20 at 308-946-3843.



Upcoming Webinar: Mon. Feb. 19, 2024 at 12:00 PM CST

Topics:

- Recent Trends in Nebraska Cash Rental Rates
 - Trends in cash rents for 2023-2024
 - Calculating cash rental rates to reflect market prices or farm yields
- Updating Agricultural Leases for the 2024 Production Season
 - Considerations for landlords and tenants entering the new growing season
 - Aglease101.org - free lease resources
- Ask an Expert
 - Review of submitted questions and from meeting participants
 - Upcoming land management workshops and publications

