

How is farmland leasing for 2014 shaping up?, continued from page 2

**Conclusions**

The recent dramatic grain price drop will result in many producers facing challenges to make a profit at some of the current rental rates. Looking forward, it is likely that some of the rental rates that are on the high side for the level of productivity will need to be reviewed. We may still see others that are on the very low side that will continue to increase.

More information on leasing can be found at the Ag Decision Maker website, <http://www.extension.iastate.edu/agdm/wdleasing.html>.

**Table 2. Overall Average of Typical Cash Rents 2009-2013, Corn and Soybean Acres**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
District 1	\$187	\$188	\$224	\$267	\$283
District 2	196	191	220	277	294
District 3	186	192	223	266	281
District 4	196	195	227	279	294
District 5	197	195	226	275	297
District 6	193	196	219	252	284
District 7	170	176	213	246	257
District 8	146	151	177	193	210
District 9	173	169	198	217	229
<b>State</b>	<b>\$183</b>	<b>\$184</b>	<b>\$214</b>	<b>\$252</b>	<b>\$270</b>



**Minimize risk by monitoring farm energy costs**

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**A**s harvest approaches, my colleagues in ISU Extension and Outreach are urging farmers to remain cautious regarding commodity prices. The same can be said for farm fuel and energy prices, including a more detailed look at managing farm energy costs.

Take a moment to review the past 5 to 10 years. Did your recorded expenses for propane, electricity, diesel or gasoline used on the farm change noticeably during any of those years? Are the increases—or decreases—primarily due to fluctuations in your energy consumption? Changes in the market price? Other factors?

“Fluctuating energy prices can be troublesome,” says Mark Hanna, ag engineer with ISU Extension and Outreach. “Knowing whether energy costs are related to changing prices or specific changes in your energy needs is a useful first step to cutting expenses.”

The weather offers an explanation for some of the variations you will find. Undoubtedly, your grain drying costs the past few years will reflect the weather conditions, with fluctuations in your demand for propane, electricity or natural gas. However, adding a little more detail in your records

may help you to manage the potential risks of farm energy expenses, come rain or shine.

You might begin by reviewing your monthly and yearly accounting records to ensure that they are up-to-date. Many of the farmers I met this past year explained that, generally speaking, they know their total monthly electricity or diesel costs. Their bills are entered each month into the farm’s financial records, but that’s often as far as it goes. Once a bill is paid, well... “out of sight, out of mind” is how one farmer described it.

As you’re getting your bills in order, consider entering the information from them into a farm energy log. A simple Microsoft Excel version is available under the Farm Energy Publications link on our website, [http://farmenergy.exnet.iastate.edu/?page\\_id=11](http://farmenergy.exnet.iastate.edu/?page_id=11). Look for the fact sheet “Tracking the Energy Use on Your Farm,” PM 2089C, and the corresponding farm energy log under the Energy Consumption subheading. This form can be customized to fit your needs using formulas or additional worksheets.

When monthly energy consumption and cost are entered into the form, the cost per unit is automatically calculated. As an example, consider

