



# Ag Decision Maker



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## Farmland leasing meetings will increase understanding of rental agreements

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Iowa State University Extension and Outreach is hosting multiple farmland leasing meetings during July and August at various times and locations throughout Iowa. The annual meetings are offered to address questions that land owners, tenants or other interested individuals have about leasing farmland.

“More than half of Iowa’s farmland is rented, and strong landlord/tenant relationships are important for the long-term viability of Iowa’s valuable farmland,” said Ann Johanns, program specialist with ISU Extension and Outreach. “Iowa farmland cash rental rates decreased by \$14 an acre from 2014 to 2015; every district in Iowa showed a decline in reported rental values. The decreases ranged from \$24 in Central Iowa to \$4 in northeast Iowa. Northeast Iowa reported

the highest average in 2015 at \$273, and the lowest district value was \$187 in south central Iowa.”

The three-hour workshop is designed to assist landowners, farm tenants and other agri-business professionals with current issues related to farmland ownership, management and leasing arrangements. Attendees will gain understanding of current cash rental rate surveys and factors driving next year’s rents such as market trends and input costs. Additional information on the 2014 Iowa State Land Value Survey, 2014 Farm Bill, flexible leases, Corn Suitability Rating Index (CSR2) and Iowa’s Nutrient Reduction Strategy will be presented.

Each registrant will receive a 100-page workbook with resources regarding land

leasing agreements such as surveys, sample written lease agreements and termination forms and many other publications.

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### Handbook updates

For those of you subscribing to the handbook, the following new updates are included.

**Grain Price Hedging Basics –**  
A2-60 (6 pages)

**Financial Performance Measures for Iowa Farms –**  
C3-55 (8 pages)

Please add these files to your handbook and remove the out-of-date material.

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Farmland leasing meetings will increase understanding of rental agreements, continued from page 1

Farm tenants and land owners are encouraged to attend in July and August

Attend a local meeting

The leasing meetings being held across Iowa are facilitated by farm management specialists with ISU Extension and Outreach. A listing of county extension offices hosting the meetings is available on the ISU Extension and Outreach online calendar for July and August, and at Ag Decision Maker.

For registration information, contact the local ISU Extension and Outreach county office. Preregistration is encouraged, as an additional fee may be added if registering fewer than two calendar days before the meeting date.

The Ag Decision Maker leasing section also provides useful materials for negotiating leases, information on various types of leases, lease forms and newly updated Decision Tools.



Strive to capture storage margins

By Steven D. Johnson, PhD, farm management specialist, 515-957-5790, sdjohns@iastate.edu

A famous Swiss psychiatrist, Elisabeth Kübler-Ross, in her 1969 book, references emotional stages experienced by survivors of the death of a loved one. Those five stages are denial, anger, bargaining, depression and acceptance.

Without a major weather event impacting 2015 crops this growing season, by harvest the farmers who are still storing both old and new crop bushels without futures price protection may be going through some of these stages of loss. Old crop corn futures prices declined nearly 80 cents per bushel from their December highs to their spring lows. Soybean futures slipped \$1.20 per bushel. However, old crop basis has remained strong this spring.

As the size and availability of the 2015 crop is confirmed, farmers can expect basis to widen and futures prices could remain under pressure. However, the threat of fewer soybean acres being planted and reduced yield potential rallied soybean futures by over 70 cents in late June.

Fundamentals

The June 10 USDA Crop Production and World Agricultural Supply and Demand Estimates (WASDE) reports forecast U.S. ending stocks to remain large for the 2015 crops, both corn and soybeans. The last time the U.S. had back-to-back years with ending corn stocks greater than 1.7 billion bushels was the 2004 and 2005 crops. The U.S. ending stocks for soybeans were projected to rise to 475 million bushels by August of 2016. That number is now uncertain with the impact of the late planting of this year's U.S. soybean crop. However, you can expect South America to make up for any shortfall in U.S. planted soybean acreage.

Basis trends

Soybean basis has remained narrow (strengthened) during the spring as nearby soybean futures prices declined. Corn basis also held strong during the spring, but it began to widen (weaken) in June as farmers began moving stored corn to make room for the 2015 crop.