



# ***Understand Your Farmland's Value***

***By***

# ***Understanding Your Soil's Value***

Extension-Lafayette County

Josh Kamps



## Farmland Value based on Soil Value



Photo credit: cal.s.wisc.edu



Photo credit: msu.edu



# Why talk about rental values and ag leases?

*-According to the 2012 National Census of Agricultural, approximately **half** of Wisconsin's farmland is rented.*

## **Challenge:**

“ To identify an equitable rental value for both farmers and landowners, while practicing land stewardship

## **Opportunity:**

“ To improve the quality, productivity and resilience of farmland while earning an equitable ROI for both farmers and landowners



## What tools are available to help determine the value of my farmland?

- “ NASS survey
- “ Farmland soil survey
- “ Nutrient Management Planning
- “ Farmland Stewardship

*Only the parties involved in the agreement can determine what is an equitable land rental value!*

*-A long-term rental contract may encourage operator investment in the land resource through soil health practices, nutrient management strategies, and conservation tillage and planting technologies.      –Josh Kamps*



# The USDA National Agricultural Statistics Service (NASS)

## 2019 County Averages

Grant- \$204

Green- \$201



## 2019 County Averages

Iowa- \$174

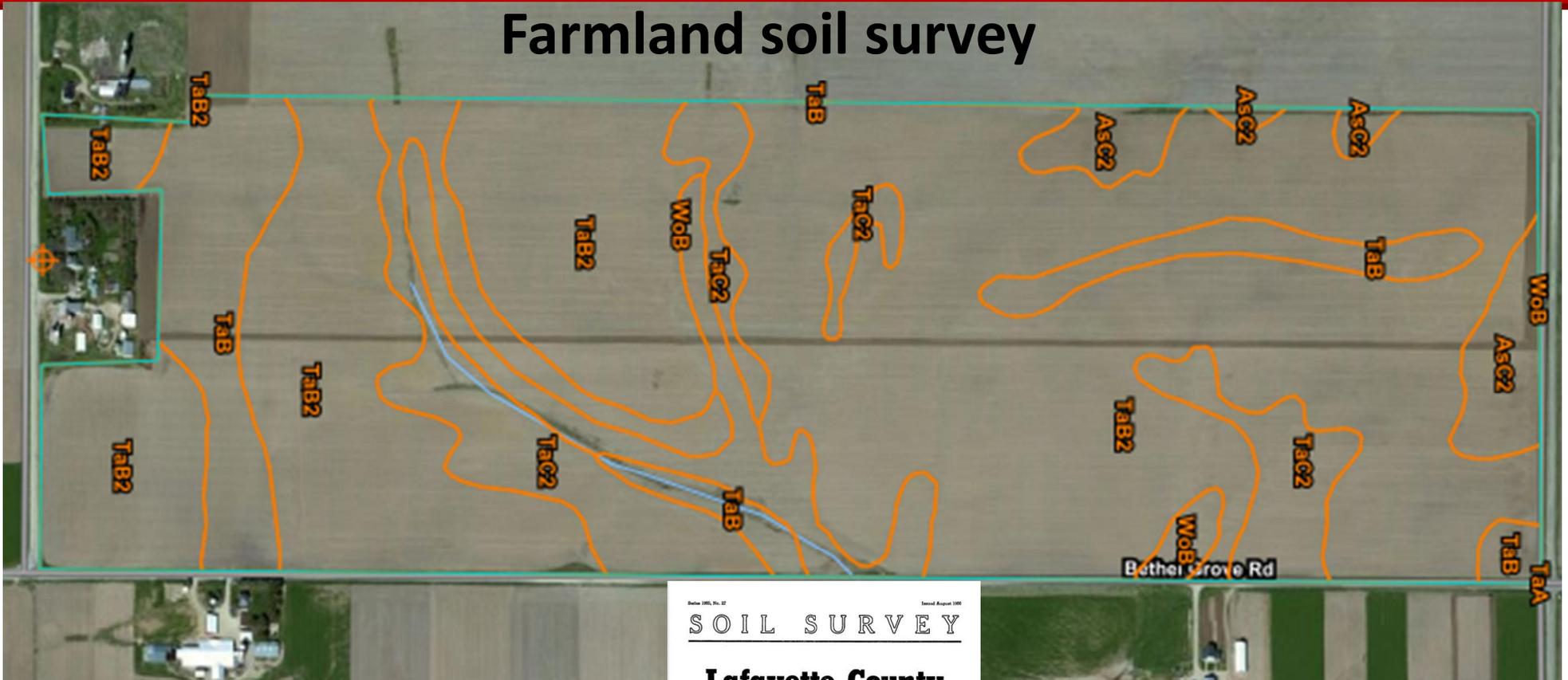
Lafayette- \$215

- County estimate is unpublished to avoid disclosure of individual operations or represents zero.

[https://www.nass.usda.gov/Statistics\\_by\\_State/Wisconsin/Publications/County\\_Estimates/](https://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/County_Estimates/)



# Farmland soil survey



<https://websoilsurvey.sc.egov.usda.gov>



# Nutrient Management Planning

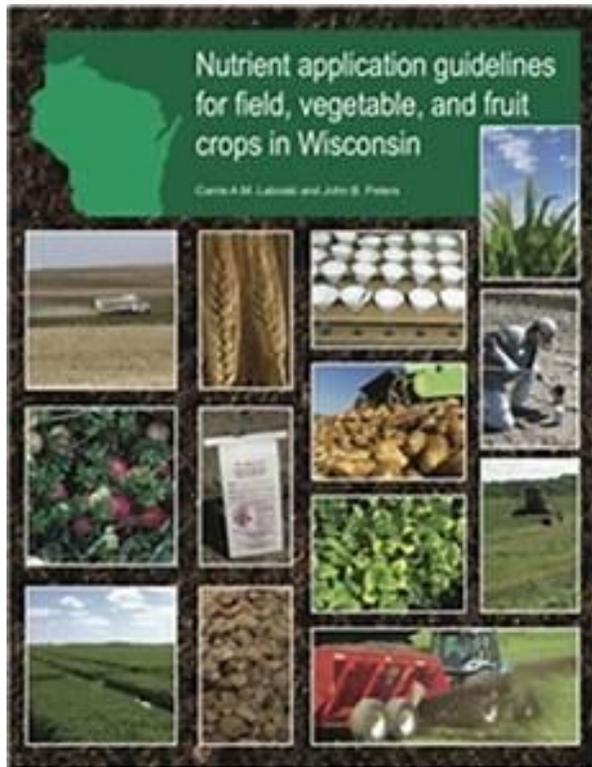


Photo credit: Kansas State University



*Routine soil testing is the foundation!*

**SnapPlus**  
Wisconsin's Nutrient Management Software



# Farmland Stewardship

Soil and Water Conservation adds Value!

- “ **Reduce soil erosion and water runoff**
- “ **Increase soil health**
- “ **Reduce nutrient leaching**
- “ **Build Farmland Resiliency**





## Other Factors affecting Land Rental price

### “ Local demand

- “ Location of farmland
- “ Advertisement

### “ Farm arrangement

- “ Contiguous acres
- “ Access for farming activities
- “ Shape and slope of fields
- “ Risk of crop damage: wildlife, flooding or *vehicular crop lodging*

### “ Lease specifics

- “ Enrollment in government programs
- “ Length of rental contract



# Land Lease Agreements

## **Shannon Ferrell of Oklahoma State University- *5 land lease requirements***

- 1) The full legal names of the parties & marital status.
- 2) Full and correct legal description of the property.
- 3) When the lease starts and when the lease ends.
- 4) What is the rent going to be and how it will be paid.
- 5) Signatures of all parties involved.

[https://www.youtube.com/watch?time\\_continue=82&v=6UQdfrbPjTo&feature=emb\\_logo](https://www.youtube.com/watch?time_continue=82&v=6UQdfrbPjTo&feature=emb_logo)



# Land Lease Agreements

***Successful lease agreements also include management expectations!***

- “ Farm businesses are most resilient when they have a thorough discussion with the landlord/tenant and come to a robust, authentic agreement.
- “ Asking a few questions up front regarding management expectations by each party will guide discussions towards a resilient lease agreement.



# Land Lease Agreements

## *Required components to create a robust and resilient lease!*

**Basics:** When does the lease begin and end?

**Rights:** What activities is the farmer allowed to engage in? What are the limits? Can the farmer sublease? If damage is incurred or a party has lost revenue because of another party's actions, should the other party be compensated and how?

**Production-related:** Are there limits to the type of production or methods? Conservation practices or organic? Are there specific standards for weed or disease control? Grass waterways etc.?

**Facilities:** Who is responsible for maintenance and costs, or utilities that may be associated?

**Renewal:** Does the lease renew automatically or do specific steps need to take place by either party? If the lease renews automatically, when and how does either party give notice that they do not want to renew the lease.

**Communication:** Should there be annual meetings and what topics should be discussed?

*Source: Farm Commons- [farmcommons.org](http://farmcommons.org)*



# Land Lease Agreements

- “ State laws on land leasing are a backstop for when farm tenants/landlords do not come up with their own agreement. If parties involved in an agreement are experiencing issues, damages have been incurred, or are in disagreement, it is important for the parties to involve a legal attorney.
- “ People forget what they said over time in verbal agreements, and details can be overlooked. Therefore, it is important to thoroughly explore and document expectations in **writing**.
- “ Each lease agreement is unique to the expectations defined by the parties involved. However, agriculture lease examples can help parties explore various elements of a resilient agreement.



# Land Lease Agreements

**AG LEASE 101**

[Home](#) [Document Library](#) [FAQ](#) [For Educators](#) [About Ag Lease 101](#)

**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.





## References

- “ USDA-NASS Land Rental Survey Results  
[https://www.nass.usda.gov/Statistics\\_by\\_State/Wisconsin/Publications/County\\_Estimates/](https://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/County_Estimates/)
- “ USDA Natural Resource Conservation Service  
<https://websoilsurvey.sc.egov.usda.gov>
- “ Adapted from a presentation by Trisha Wagner, Extension Farm Management Program Outreach Coordinator, Wisconsin

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# Questions?

**Thank you for your attention!**