

The purpose of this lease supplement is to encourage cooperation between tenants and landowners to obtain and maintain needed conservation practices on a rented farm. Rent adjustments should reflect cost and risk incurred by farming practices. Conservation practices and improvements will not be made unless agreed to in advance and the tenant has the necessary machinery and management ability. A tenant is not likely to make an important contribution to soil conservation unless additional costs are shared or the tenant is assured repayment of an unexhausted value in case the lease agreement ends. Soil loss control is beneficial to both the landowner and tenant.

Soil Loss

Tenant and landowner shall agree to follow specific conservation practices that will control soil loss for a field or the entire farm. Soil loss limits (tons/acre) have been set under USDA Natural Resource and Conservation Service (NRCS) conservation compliance guidelines. The farm's soil conservation plan provided through the NRCS will recommend alternative soil management practices (mulch or zero tillage, contouring, terraces, rotations, waterways, ground cover, buffer strips, etc.) to maintain soil losses within allowable limits. The plan can be modified if both the landowner and tenant agree.

Selecting and agreeing to specific conservation practices must be done with care to meet the original objective of controlling soil loss.

Cost-Share

Cost-share payments are available for conservation practices. Sharing of expenses and cost-share payments should be a part of the lease agreement. Contact USDA FSA and NRCS offices for information before initiating practices from both federal and state sources.

Ground Cover

Ground cover is beneficial throughout the growing season. Trips over fields with tillage tools reduce ground cover. Ground cover at planting time should be measured. No-till or reduced chisel-disk systems may maintain adequate ground cover needed on sloping land. Contact local Soil Conservation District (SCD) personnel for determinations of adequate ground cover based on slope, crop, tillage practices, and timing of tillage operations.

Cropping Practice Examples

(check if required)

- _____ Fields shall be tilled and planted on the contour where feasible.
- _____ A winter cover crop shall be seeded on all agreed on crop acres.
- _____ Waterways removed by tillage, use of chemicals, or other means shall be replaced at the tenant's expense.
- _____ Tenant shall clip waterways as necessary for maintenance of soil conservation practices, unless enrolled in CRP during the nesting season.
- _____ Corn and soybean fields shall have sufficient ground cover at planting time to control erosion within soil loss limits set under the conservation plan.
- _____ No fall tillage shall occur on soybean ground.
- _____ Soybeans shall not be grown unless soil loss is controlled within soil loss limits set under an approved conservation plan.
- _____ No-till shall be used on designated fields.
- _____ Soybean straw shall not be removed from soybean fields.
- _____ Crop rotation shall be followed as selected by the landowner on designated field(s).
- _____ Strip cropping shall be maintained on fields as designated by the landowner.
- _____ Erosion shall be controlled in farm pond watersheds.

Permanent Practices

Terraces, farm ponds, windbreaks, water control structures, reforestation, waterways, diversion ditches, pasture improvement, buffer zones, and other practices requiring long-range investments may require special agreements between landowners and tenants for installation, maintenance, and sharing of cost and benefit. If the tenant contributes to permanent practices, a value or cost should be determined and depreciation rate and recovery of remaining value determined (see the following table). Any cost share funds received by the tenant should be deducted first.

The **Iowa Custom Rate Survey**, (FM1698/AgDM A3-10), <https://store.extension.iastate.edu/Product/1792.pdf>, can be used to value any labor and machinery that the tenant contributes toward the installation of permanent conservation structures. A depreciation rate of 5 to 7 percent (15- to 20-year life) is appropriate for most structures.

More Information

Iowa Nutrient Reduction Strategy,
www.nutrientstrategy.iastate.edu/

ISU Extension and Outreach Farmland Leasing Resources,
www.extension.iastate.edu/agdm/wdleasing.html

Conservation Practices for Landlords, AgDM File A1-41,
www.extension.iastate.edu/agdm/crops/html/a1-41.html

Tax Treatment of Water Quality Measures for Farm Operators and Landowners, *Center for Agricultural Law and Taxation*,
www.calt.iastate.edu/taxplace/tax-treatment-water-quality-measures-farm-operators-and-landowners

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Reviewed by William Edwards,
retired extension economist
original author Kenneth Muller
former county extension education director

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