



# Considering Sustainable Agriculture on Your Rented Land

Photo courtesy of Natural Resources Conservation Service (NRCS)

Renting agricultural land can be a difficult process. Landowners are concerned about taking care of the land, being good neighbors, and meeting their financial goals. Tenants are concerned about farming in a way that is consistent with their values, maintaining access to the land, and meeting their financial goals. In some cases, negotiations about the basic financial arrangements can be so tense that both sides are reluctant to raise other issues that may lead to disagreement. Even when landowner-tenant relations are good, the parties may hesitate to introduce ideas that could cause conflict. As a result, the majority of rented cropland is farmed in a conventional manner, even when the tenant or landowner may be interested in trying sustainable practices.

## Why would someone want to use sustainable practices?

One important reason for using sustainable agriculture is to protect soil and water quality. The conventional corn-soybean rotation can result in soil erosion, runoff and leaching of fertilizers and pesticides, and loss of soil organic matter. Practices such as adding small grains or hay to the crop rotation, using conservation tillage, reducing herbicide use, and creating grassed waterways and riparian buffers can protect both the soil and the water.

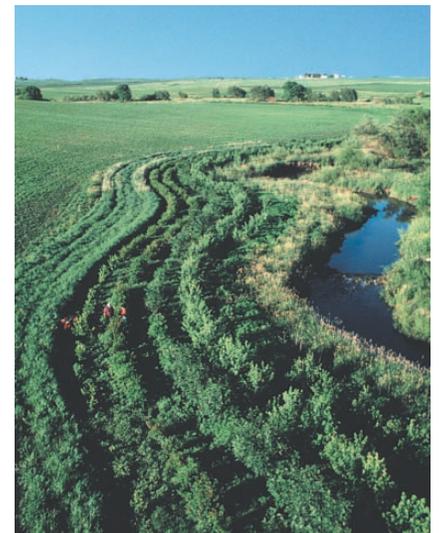
Another reason for using sustainable agriculture may be to increase income over the long term. Diverse rotations and improved soil condition can boost yields over time and prevent costly pest problems. Certain practices such as organic agriculture can bring premium prices for crops and livestock.

Finally, sustainable farming practices may satisfy personal values for the landowner and/or the tenant, such as providing habitat for wildlife or minimizing exposure to dangerous chemicals.

## What exactly are "sustainable" practices?

Sustainable agriculture is not a precisely defined term. By sustainable practices we mean any practices designed to improve environmental stewardship; profitability; and quality of life for farm families, landowners, and communities.

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Riparian buffers can protect water quality and provide wildlife habitat. Photo courtesy of NRCS



Integrating crop and livestock production is a sustainable practice to improve environmental stewardship, profitability, and quality of life for farm families and communities. Photo courtesy of Margaret Smith, ISU Extension, Department of Agronomy

**Contrary to popular opinion, sustainable practices often result in comparable or even higher yields than conventional farming.**



Soybeans grow in a ridge-till field. Photo courtesy of NRCS



Many organic farmers have included propane (LP) flame-burners as an additional tool in their weed management toolbox. Flaming is used particularly during times of high field moisture when tillage with large machinery is not feasible. Photo courtesy of Kathleen Delate, ISU Extension, Department of Agronomy



Adding hay to the rotation can improve soil quality and fertility and interrupt pest cycles. Photo courtesy of NRCS



Abbas and the Artleys talk several times a week and have developed a close friendship as well as a successful business relationship. Photo courtesy of Jerry DeWitt, ISU Extension

Examples include diversifying crop rotations, converting to organic production, reducing use of purchased inputs, integrating crop and livestock production, and establishing soil conservation tools such as grassed waterways, riparian buffers, and terraces.

### Can alternative practices really be profitable?

Yes, they can. Contrary to popular opinion, sustainable practices often result in comparable or even higher yields than conventional farming. They may reduce input costs or qualify for premium prices. However, sometimes there may be a transition period when yields dip before ecological benefits are realized and while the farmer is still fine-tuning the new system. And if you can't sell or use your alternative crop, you won't profit from it, no matter how good the yields. Finally, government programs can make a big difference to net farm income. In the past, payments have generally been targeted to corn and soybeans. The new Conservation Security Program may offer financial rewards for sustainable practices on working farmland.

### What about weeds?

Some sustainable practices, such as reducing or eliminating herbicide use or reducing tillage operations, may lead to increases in weed populations, at least temporarily. Often, weeds decline again as operator proficiency increases and the biological benefits of the new cropping or tillage system take effect. Also, low weed populations may not affect yield, and often the savings on input costs outweigh minor yield reductions due to weeds. However, because weeds are commonly seen as a sign of poor management, it is important for the landowner and tenant to discuss ahead of time what the effects of the changes may be on weed populations, and to agree on what levels of weeds are acceptable.

### Is a special lease needed?

As the following examples show, many different types of lease arrangements can be used to accommodate sustainable practices on rented land. The specific goals of the renter and landowner and the constraints of each situation affect what arrangement works best.

#### ■ Creative Leasing Options for Hay

Jay Van Wert II and one of his landowners, Brad Staley, find hay to be more profitable than row crops, even on Class A soils. Jay is willing to work on a cash rent, a crop share, or a custom-farming basis, depending on the preference of the landowner. This flexibility is important in working with a variety of situations says Jay, who often rents only part of a farm. Because Jay is able to handle everything from production to marketing, landowners can conveniently use him to bring a little diversity into their rotation, without greatly disturbing relations with their other tenants. "There's probably someone in every neighborhood who'd do what we do," comments Jay.

#### ■ Organic Custom Farming

Dennis Abbas, Hampton, has helped bridge a generation gap for retired neighbors Regina and Dean Artley, whose son isn't ready to take on the farm. Dennis custom farms their land organically, which is their preference. Because organic farming requires skills and equipment that aren't readily available, Dennis and the Artleys have settled on the "high end" of the range for custom rates as reported in the *Iowa Farm Custom Rate Survey*, FM 1698.

### ■ Organic Crop Share—A Team Effort

In Hancock County, Monica Pletcher now owns the land that her father farmed organically for years. She has found someone to continue the organic cropping practices on a crop-share basis. He does not farm organically on his own land, but Monica reports he “goes the extra mile” on her land. For instance, he cleaned the harvested oats to qualify for an extra premium. Monica covers all the expenses for some of the additional tasks required for organic production. However, the two share the fees for organic certification. Monica handles all the paperwork for certifying and marketing the organic crops. In this arrangement, the tenant provides the skilled farming and the landowner makes the tenant’s work simpler by doing the business tasks.

### ■ A Combined Approach

In Franklin County, another landowner transitioned his land to organic by using custom farming services. After the transition, as the system stabilized, he went to a crop-share arrangement. In this way, the landowner assumed the risk during the transition and later found a tenant for the established system.

### ■ Flexible Cash Rent

A Warren County owner wanted his land in a rotation longer than corn-soybean, so he found a tenant who was also interested in a diverse system. When the land is in hay, the cash rent is reduced 20 percent. This arrangement doesn’t mean that the hay is less profitable than corn and beans, but it provides the tenant an incentive to grow hay to meet the landowner’s goals for soil conservation and wildlife habitat, and it may help to compensate for the additional equipment and management required.

### ■ Just Send Cash

In some situations, cash rent preserves the operator’s flexibility. One northcentral Iowa farmer transitioned to organic while cash renting with a 5-year lease. He has continued to farm organically on a cash-rent basis even as some of the land passed to a new owner. In this case, the multi-year lease provided the producer the assurance needed to undertake the major shift of production systems, while the cash rent agreement reduced the risk for the landowners.

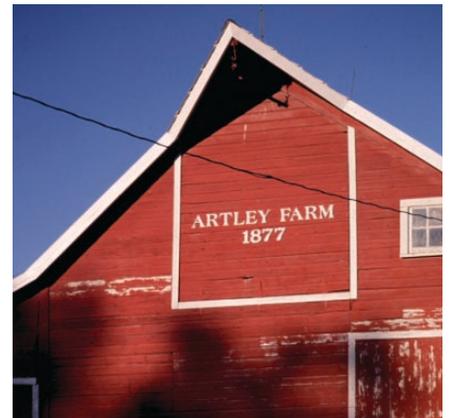
In northwestern Iowa, Practical Farmers of Iowa (PFI) member Jerry Depew persuaded landowners to allow him to convert a crop-share arrangement to cash rent based on typical rental rates for the area. This cash rent gives him the freedom not to use a corn-soybean rotation. “I think diversification is good for me,” writes Jerry. The cash rent protects his landowners from concerns about the profitability or marketing of other crops.

Some people say that crop-share arrangements can put sustainable farmers at a disadvantage because the shared expenses (fertilizer and pesticides) are those that sustainable farmers use less of, whereas the tenant’s expenses (management, labor, and fuel) are often greater in sustainable farming. ISU Extension publication FM 1724, *Flexible Farm Lease Agreements* (<http://www.extension.iastate.edu/Publications/FM1724.pdf>), provides a method for converting crop share to cash rent.

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Organic agriculture can reduce pollution, improve soil health, and provide premium prices. Yields are often comparable to yields of conventionally grown crops. Photo courtesy of Lance Gibson, Department of Agronomy, ISU



Landowners can use a variety of strategies to maintain their family farm’s history and commitment to stewardship. Photo courtesy of Jerry DeWitt, ISU Extension



Terraces, conservation tillage, and conservation buffers save soil and improve water quality on this farm. Photo courtesy of NRCS

***There is no single best arrangement to make farming more sustainable on rented land. You and your tenant or landowner need to work together to find the arrangement that will best meet the goals of both parties.***



Landowners and tenants discuss ways to incorporate sustainable practices on rented land. A contour buffer strip of alfalfa was planted in this corn field.  
*Photo courtesy of NRCS*



Landowners and tenants consider leasing options and agree on sustainable practices to meet financial goals and ensure a healthy land for the future.  
*Photo courtesy of NRCS*

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### **Where can I get assistance or more information?**

For information on agricultural lease options, contact your ISU Extension farm management specialist or county extension education director. In addition to providing examples of different lease types, extension staff can help answer tenant and landowner questions about what arrangements will best meet the specific needs. Extension crop field specialists and county directors also can provide information on a variety of sustainable practices.

Extension has several publications on leasing options, which may be helpful, including FM 1564, *Improving Your Farm Lease Contract* (<http://www.extension.iastate.edu/Publications/FM1564.pdf>) and FM 1851, *Cash Rental Rates for Iowa* (<http://www.extension.iastate.edu/Publications/FM1851.pdf>).

Additional information is available on the Web, including ISU's Farmland Leasing page at <http://www.extension.iastate.edu/feci/Leasing/> and the Agricultural Decision Maker site at <http://www.extension.iastate.edu/agdm/>.

For information on farm conservation plans and cost sharing for conservation measures, contact your county's Natural Resources Conservation Service (NRCS) office. NRCS staff can provide technical guidelines for implementing conservation measures.

To network with other landowners and tenants who are interested in sustainable agriculture, contact Practical Farmers of Iowa (PFI), a grassroots farm organization dedicated to exchanging knowledge about sustainable, profitable agriculture. Most of the examples given in this publication were drawn from PFI members. You can call the PFI office at (515) 232-5661 or find information about them at <http://www.pfi.iastate.edu>.

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File: Agriculture 1