

Farmland Lease Annual Report

File C2-06

A Tool to Enhance Communication Between Farmland Owners and Producers

In some Iowa counties, as much as 70% of farmland is farmed by producers who do not own it, with the state average at 51%. Throughout farm country, there is a steady and increasing number of farmland owner and producer relationships.

There are two particularly common categories of farmland owners. First, there are owners who actively farmed the land in past years, have now retired and are leasing the acres to farm producers. In these relationships, a key consideration is the length of time since the owner was an active farmer. The more years that have elapsed since the owner was involved in active farm production, the more important it is to engage in ongoing communication and education regarding the latest crop technology, production costs, and related trends.

Second, there is a growing number of farmland owners who have never been personally involved in farm production. Such owners may have inherited the land (or purchased it as an investment) and now lease it to active farmers. Some of these owners may have never lived on or near the farmland that they now own; in fact, some may have never seen the farmland. These farmland owners have a high learning curve, with much information to absorb regarding farming practices and the economics of crop production. At the same time, tenants must take on increased responsibility for anticipating questions and providing information to the landowner.

Communication is a key challenge for all farmland owners and producers. Farmland owners commonly express frustration that they do not know how their land is being farmed and what it is producing. Tenants may not understand that farmland owners often have a deep desire to learn how the farmland is being cultivated and cared for by producers. It is to the benefit of both owners and tenants to build relationships and communicate with one another.

Commonly, a farmland leasing agreement may include a provision requiring the operator to provide an annual report to the owner. See for example paragraph 7(e) of the [Iowa Farm Lease Form](#), AgDM File C2-12, www.extension.iastate.edu/agdm/wholefarm/pdf/c2-12.pdf. See also paragraph 10 of the [Iowa Cash Rent Farm Lease \(Short Form\)](#), AgDM File C2-16, www.extension.iastate.edu/agdm/wholefarm/pdf/c2-16.pdf. The Iowa State University Extension and Outreach [Farm Management Team](#), www.extension.iastate.edu/ag/farm-management, provides an example form for this purpose at the end of this publication, **Farmland Lease Annual Report**.

Purpose of the Farmland Lease Annual Report

The purpose of the annual report form is to **enhance communication**. This report form is intended to provide farm tenants and landowners with a guide for sharing crop information for farmland rental agreements and to aid in communication. It is not intended to take the place of legal advice pertaining to contractual relationships between the parties. The parties can certainly revise or design their own form if changes are desired. However, by using this form, the parties will have a consistent format to share information.

Separate forms can be used for each parcel in a manner that is convenient for the parties.

If a form such as this has not been used in the past, the farmland owner and the producer should discuss the purpose of the reporting process. The parties should agree upon the confidential nature of the information shared on this form. A landowner must understand that the farm tenant does not want this proprietary business information shared with others who have no right to this data. Likewise, the tenant should understand that the landowner has a right to know how the farmland is being utilized for crop production.

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Conversations based on the reported information should help the owner and producer to grow in understanding their relationship, to the mutual benefit of both parties.

Reporting Sections

The **Farmland Lease Annual Report** form is organized into several sections. Information can be recorded by the producer throughout the year. Early in the growing season, the producer will record the crop planted, seed varieties, and seeding rate as well as the planting date for each parcel. Another section allows space for the producer to indicate the type of tillage system utilized for each crop.

Fertilizer applications can be recorded in a section provided for that purpose, specifically pounds applied of nitrogen, phosphorous, potash, lime, or other nutrient applications. A later section is open to provide descriptive information on soil and land improvements. There is a notation to attach soil test results and maps that are available.

Pesticide applications, which may include herbicides, insecticides, and fungicides should also be recorded in sections provided for that purpose.

Finally, production results should be reported at the end of the crop year. Space is provided to report total and average production. The landowner may request copies of crop reporting data prepared for government agencies or crop insurance purposes. Again, such documentation is confidential between the parties.

Farmland owners and producers may wish to revise or design a form more suited to particular purposes. This **Farmland Lease Annual Report** is intended to provide a basic format for reporting. However, by using this form or something similar, the parties will have a consistent format and methodology to share information and enhance communication in the farmland leasing relationship.

Additional References

[Ag Decision Maker Leasing Resources](http://www.extension.iastate.edu/agdm/wdleasing.html),
www.extension.iastate.edu/agdm/wdleasing.html

[Improving Your Farm Lease Contract](http://www.extension.iastate.edu/agdm/wholefarm/html/c2-01.html), AgDM File C2-01, www.extension.iastate.edu/agdm/wholefarm/html/c2-01.html

[Good Communication Can Help Solve Problems](http://www.extension.iastate.edu/agdm/wholefarm/html/c6-56.html), AgDM File C6-56, www.extension.iastate.edu/agdm/wholefarm/html/c6-56.html

[Developing a Farm Newsletter for Landlords](http://www.extension.iastate.edu/agdm/wholefarm/html/c2-14.html), AgDM File C2-14, www.extension.iastate.edu/agdm/wholefarm/html/c2-14.html

[Farm newsletters – are they worth the effort?](http://www.extension.iastate.edu/agdm/newsletters/nl2016/aug16.pdf), AgDM Newsletter, August 2016, www.extension.iastate.edu/agdm/newsletters/nl2016/aug16.pdf

[Improving Business Communication Skills](http://www.extension.iastate.edu/agdm/wholefarm/html/c4-71.html), AgDM File C4-71, www.extension.iastate.edu/agdm/wholefarm/html/c4-71.html

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This form can provide tenants and landowners a guide for sharing crop information for farmland rental agreements. This form is not intended to take the place of legal advice pertaining to contractual relationships between the parties.

Farmland Lease Annual Report: Crop Year 20____

Field name _____

Operator(s) _____

Legal description _____

	Crop 1	Crop 2
CROP		
Certified planted acres	_____ _____	_____ _____
APPLICATION RECORDS		
Seed Varieties	_____ _____ _____	_____ _____ _____
Seeding rate	_____ _____	_____ _____
Planting Dates	_____	_____
Fertilizer (pounds applied)		
Nitrogen	_____	_____
Phosphorous (P2O5)	_____	_____
Potash (K2O)	_____	_____
Lime	_____	_____
Other	_____	_____
PESTICIDES		
Herbicides		
Product	_____	_____
Rate	_____	_____
Product	_____	_____
Rate	_____	_____
Product	_____	_____
Rate	_____	_____
Product	_____	_____
Rate	_____	_____

	Crop 1	Crop 2
CROP		
Insecticides		
Product		
Rate		
Fungicides		
Product		
Rate		
TILLAGE SYSTEMS		
PRODUCTION RESULTS		
Total production		
Average yield		
HARVEST DATES		

Soil and Land Improvements: _____

Other Comments: _____

* Attach copies of soil tests and maps as feasible.