Leasing and Land Ownership Terms

**Conservation** - Utilization or protection of natural resources to prevent loss or depletion.

**Corn Suitability Rating (CSR)** - An index that rates Iowa soil types based on productivity for corn production first published in 1971. Values range from 100 to 5 (high to low productivity) points per acre. Valuation assumes adequate management, natural weather, artificial drainage where needed, no frequent flooding, no land leveling or terracing.

**Corn Suitability Rating 2 (CSR2)** - An updated index released in 2013 that rates Iowa soil types based on productivity for corn production with greater transparency and consistency. CSR2 is unique to Iowa and originally created to equalize tax assessments on agricultural land based on soil types and their inherent properties.

**Crop Inputs** - Items which contribute to crop production including but not limited to seed, fertilizer, herbicide, lime, machinery, labor, crop insurance, interest, and rent.

**Crop Insurance** - Coverage purchased by a party at risk to cover crop loss for yield and/or price that may occur during the growing season.

**Department of Natural Resources (DNR)** - State agency that helps protect and manage Iowa’s land resources.

**Easement** - Right held by a property owner to make use of land of another owner for a limited purpose (special use or enjoyment).

**Farm Service Agency (USDA FSA)** - Federal government organization that administers farm programs and provides for distribution of payments.

**Hay Ground** - Area covered with grass or other forage suitable for mowing and converting into hay that is typically fed to livestock.

**Lease** - A contract whereby the owner(s), or other rightful possessor, of real property conveys the right to use and occupy the property in exchange for rent. Farmland leases can be categorized by type of land or structure of payment or contract.

- **Cash Lease** - Lease includes a rental payment to the owner by the tenant that is a fixed value.
- **Cash Lease plus Bonus** - Lease that includes a rental payment to the owner that is a fixed value plus additional value based on gross revenue or yield values as stated in the lease contract. Viewed as a variation of a flexible cash lease.
- **Flexible Cash Lease** - Lease that includes a payment above a base rental amount that is determined after harvest and based upon actual yields obtained and/or crop prices (potential or received) obtained and often subtracting the operator’s cost of production to determine the net revenue.
- **Crop Share** - Owner and operator are both responsible for crop production and receive a predetermined percent of yield or revenue based on contributions made.
- **Custom Farming** - Owner hires out crop production operations to others and receives all gross revenue.

**Natural Resources Conservation Service (USDA NRCS)** - Federal government organization that provides conservation planning and assistance designed to benefit the soil, water, air, plants, and animals.

**Pasture** - Area covered with grass or other forage suitable for grazing of livestock.
Provision - Statements included in lease contract that outline responsibilities or additional terms of lease for all parties involved. Provisions may relate to land use, repair and improvements, records, or right to entry.

- Land Use - Desired management practices or use of land stated by landlord or agreed upon between parties.

- Repair and Improvements - Statement included in lease referencing who will make necessary improvements, how will they be made, and who will pay for improvements to structures (buildings or fences) on property rented.

- Records and Accounts - Statement indicating what records will be shared between the landlord(s) and tenant(s) relating to the acres rented.

- Right to Entry - Statement to provide landlord with right of entry; tenant may treat any person who sets foot on the property as a trespasser.

Rental Rate - Value of payment per acre or by farm stated in the lease.

Risk Management Agency (USDA RMA) - Federal government organization that administers crop insurance through private carriers and the use of crop insurance agents that works with the parties at risk.

Signature - Both parties must sign the written lease agreement to enact the lease contract.

Stover (Aboveground Plant) - Remains of crops left in a field after crop is harvested (ex. stalks or leaves).

Term - Period of time a farm lease is in effect.

Termination - Occurs with expiration of lease, surrender and acceptance, eviction, or breach of conditions.

Termination Notice - Written notification of termination of lease prior to end of the lease contract by either party to avoid automatic renewal of the current lease.

Tile Drainage - A method for removing excess water from the soil subsurface.

Tillable Ground - The area suitable for row crop production and reported annually by the tenant at acreage certification to the FSA on form FSA-578.

Yield - Quantity of output produced from a crop annually and often verified for crop insurance purposes as the actual yield used to determine a farm's actual production history (APH).

Web Soil Survey - Web Soil Survey provides soil data and information produced by the National Cooperative Soil Survey. It is operated by the USDA Natural Resources Conservation Service (NRCS) and provides access to the largest natural resource information system in the world.

Additional resources on farmland leasing, including surveys, lease forms, and lease supplements, are available on the Ag Decision Maker website, https://go.iastate.edu/AGDMLEASING.