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# Lease Supplement for Obtaining Conservation Practices to Control Soil and Nutrient Loss

With over half of farmland in Iowa under a rental agreement (Figure 1), **cooperation** between tenants and landowners is essential for establishing and maintaining needed conservation practices on a rented farm. Rents should be adjusted to reflect costs and risks incurred by both parties. Rent can also be adjusted to reflect your value set such as prioritizing soil and water conservation. Conservation practices and improvements will not be made unless they are agreed to in advance and the tenant has the necessary machinery and management ability to establish and maintain them.

## Soil and Nutrient Loss

Control of soil and nutrient loss is beneficial to both the landowner and tenant, as well as to downstream users. Tenant and landowner should agree to follow specific conservation practices that will control soil and nutrient loss for a field or the entire farm. Soil loss limits (tons per acre) have been set under USDA Natural Resources Conservation Service (NRCS) conservation compliance guidelines. If the farm has a soil conservation plan provided through the NRCS, it will specify alternative soil management practices (mulch or zero tillage, contouring, terraces, rotations, grassed waterways, ground cover, buffer strips, etc.) to maintain soil losses within allowable limits. The plan can be modified by mutual agreement of the landowner and tenant.

## Reduced Tillage and Cover Crops

Ground cover, including living cover such as cover crops or residue from previous crops, is beneficial throughout the growing season as well as over the winter. Extra trips over fields with tillage tools break down residue and living cover, and loosen soil. No-till or reduced tillage systems increase residue cover, while cover crops protect against erosion and nutrient loss during months when a cash crop is not present. Contact local NRCS 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 cover crop shall be seeded on all agreed on crop acres.
- \_\_\_\_\_ Grassed waterways damaged by tillage, herbicide use, equipment traffic, or other means shall be repaired at the tenant's expense.
- \_\_\_\_\_ Tenant shall mow or graze grassed waterways periodically to maintain capacity, unless alternative management is specified in CRP contract. Tenant shall delay mowing until after August 1 to benefit wildlife nesting.
- \_\_\_\_\_ Corn and soybean fields shall have sufficient residue cover at planting time to control erosion within soil loss limits set under the conservation plan.
- \_\_\_\_\_ Application of liquid manure or anhydrous ammonia, if applied in the fall, will only be applied when soil temperatures are 50°F and cooling.
- \_\_\_\_\_ No fall tillage shall occur on acres coming out of soybean production.
- \_\_\_\_\_ No-till practices shall be used on designated fields.
- \_\_\_\_\_ Crop residue shall not be removed from fields unless agreed on by the landowner and tenant.
- \_\_\_\_\_ Cropping plans shall be followed as agreed on by the landowner and tenant.
- \_\_\_\_\_ Strip cropping shall be maintained on fields as designated by the landowner.
- \_\_\_\_\_ Erosion shall be controlled around ponds and creeks.

### Permanent Practices

Terraces, farm ponds, wetlands, windbreaks, water control structures, reforestation, grassed waterways, prairie strips, 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. A tenant is more likely to follow sound environmental practices if the additional costs are shared, or if the tenant is assured of repayment for the undepreciated value of the initial investment should the lease agreement end. A multi-year lease agreement, or supplement to an annual agreement, should describe how both parties share the risk and reward of a long-term conservation management practice.

If the tenant shares in the cost of establishing permanent practices, the initial value should be determined, including both out-of-pocket costs paid and the value of any labor or machine work contributed by the tenant. A depreciation rate for calculating the remaining value of the initial cost should be agreed on. A depreciation rate of 5-10% annually (10- to 20-year life) is appropriate for most structures.

A table for depreciating the cost of establishing conservation practices is shown on pages 3 and 4.

### Cost-share Payments

Cost-share payments are often available for establishing certain conservation practices. A plan for sharing expenses and cost-share payments should be a part of the lease agreement. Contact the USDA Farm Service Agency (FSA), NRCs, and the Soil and Water Conservation District (SWCD) offices for information about availability of cost-share funds from both federal and state sources. Any cost share funds received by the tenant should be deducted from the initial investment before calculating the annual depreciation.

The [Iowa Farm Custom Rate Survey](https://go.iastate.edu/AGDMA310), (FM1698/AgDM File A3-10, <https://go.iastate.edu/AGDMA310>), can be used to value labor and machine work that the tenant contributes. The [Whole Farm Conservation Best Practices Manual](https://store.extension.iastate.edu/product/15823), <https://store.extension.iastate.edu/product/15823>, provides detailed information about both annual and permanent conservation practices and structures.

### More Information

[County-level soil and water conservation contacts](https://naturalresources.extension.iastate.edu/contacts/soil-and-water-conservation), [naturalresources.extension.iastate.edu/contacts/soil-and-water-conservation](https://naturalresources.extension.iastate.edu/contacts/soil-and-water-conservation)

[Iowa Nutrient Reduction Strategy](http://www.nutrientstrategy.iastate.edu/), [www.nutrientstrategy.iastate.edu/](http://www.nutrientstrategy.iastate.edu/)

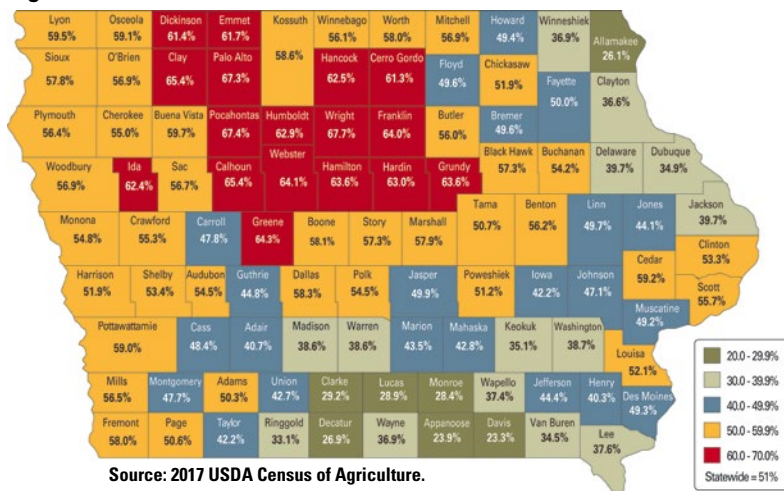
[Whole Farm Conservation Best Practices Manual](https://store.extension.iastate.edu/product/15823), [store.extension.iastate.edu/product/15823](https://store.extension.iastate.edu/product/15823)

[ISU Extension and Outreach Farmland Leasing Resources](http://www.extension.iastate.edu/agdm/wdleasing.html), [www.extension.iastate.edu/agdm/wdleasing.html](http://www.extension.iastate.edu/agdm/wdleasing.html)

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

[Iowa Learning Farms, Talking with your Tenant series](http://www.iowalearningfarms.org/resources/talking-with-your-tenant-series), [www.iowalearningfarms.org/resources/talking-with-your-tenant-series](http://www.iowalearningfarms.org/resources/talking-with-your-tenant-series); [Talking with your Landowner series](http://www.iowalearningfarms.org/resources/talking-with-your-landowner-series), [www.iowalearningfarms.org/resources/talking-with-your-landowner-series](http://www.iowalearningfarms.org/resources/talking-with-your-landowner-series)

Figure 1. Percent of farmland rented in Iowa.



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