Presentation Objectives

- Highlight Surveys related to Iowa Farmland Values & Leasing
  - 2012 Farmland Values
  - Cash Rental Rates for Iowa - 2013
  - 2012 Iowa Land Ownership and Tenure
- Provide Comparison of Various Farmland Rental Methods & Non-Land Crop Cost Trend
- ISU Extension Farmland Leasing Websites
2012 Land Value Survey Results
All grades of Iowa Farmland 1950–2012

- 32.5% Increase from 2011 to 2012
- Highest percentage increase ever reported
- $8,296 all-time high average value
- $6,708 all-time high inflation adjusted average value

2012 Average Land Values
Positive Factors affecting Land Values

- Commodity Prices (Higher): 80%
- Favorable Interest Rates: 63%
- Cash/Credit Availability: 15%
- Good Farm Economy / Return to Land: 14%
- Safe Investment / Lack of Others: 12%
- Land Availability (Limited Supply): 10%

Negative Factors affecting Land Values

- Weather: 43%
- Politics / Congress & Admin: 18%
- Land too High (Bubble Burst?): 18%
- Input Costs (Higher): 15%
- Poor Yields: 14%
- Stock Market / Economy/Global: 13%
Who Purchased Iowa Farmland?

- Investors: 18%
- New Farmers: 3%
- Existing Farmers: 78%
- Others: 1%

Land Value & Cash Rental Rate Trends

- 2012 Land Value: $8,296/A
- 2013 Cash Rent: $270/A
2013 Iowa Cash Rent Rate Survey

Farmland Tenure as a Percent of All Acres

- Owner Operated: 37%
- Custom Farmed: 3%
- Government Programs and Other Uses: 6%
- Cash Rent (fixed): 34%
- Cash Rent (flexible): 8%
- Crop Share: 12%
- Other Type of Agricultural Lease <1%
Leased Farmland Trend by Type of Lease

Leased Farmland: Importance of Various Tenant Characteristics
Leased Farmland: Primary Reason for Owning by Type of Lease

- **Cash Rent**: 24% (Fixed or Flexed)
- **Crop Share**: 26% (Fixed or Flexed)
- **Net Revenue Share**: 24%

What is the Best Type of Farm Lease?

- **TENANT OPERATOR**: Cash Rent (Fixed or Flexed), Crop Share, Custom Farm
- **LANDLORD**: Net Revenue Share, Cash Rent (Fixed or Flexed), Custom Farm

The graph shows a balance between risk and reward for different types of leases.
Crop Cost Estimates ($/A)  
(Non-Land Costs)

Crop Rotation

5 ISU Extension Web Sites

- Ag Decision Maker  
  www.extension.iastate.edu/agdm/ndleasing.html
- Extension Publications  
  www.extension.iastate.edu/pubs
- Calendar of Events  
  www.extension.iastate.edu/calendar
- Center for Agricultural Law and Taxation  
  www.calt.iastate.edu
- Farm Management Field Specialists  
  www.extension.iastate.edu/ag/farm-management-0