

Farmland rental rates stable for 2010, continued from page 1

The steady average cash rental rates for 2010 are a change from recent years. Since 2006, the average cash rental rate in Iowa has increased by 35 percent, from \$135 per acre in 2006 to the \$184 per acre average this year. Table 1 includes a comparison of the average cash rent for each of the districts since 2006.

The 2010 Iowa Cash Rental Rate Survey is available on the Ag Decision Maker website, Information File C2-10, or at county extension offices. Other resources available for estimating a fair cash rental rate include Ag Decision Maker Information File C2-20, Computing a Cropland Cash Rental Rate, and File C2-21, Flexible Farm Lease Agreements. Both of these include electronic decision tool worksheets to help analyze individual leasing questions.

Figure 1. 2010 Cash Rent Survey County Areas

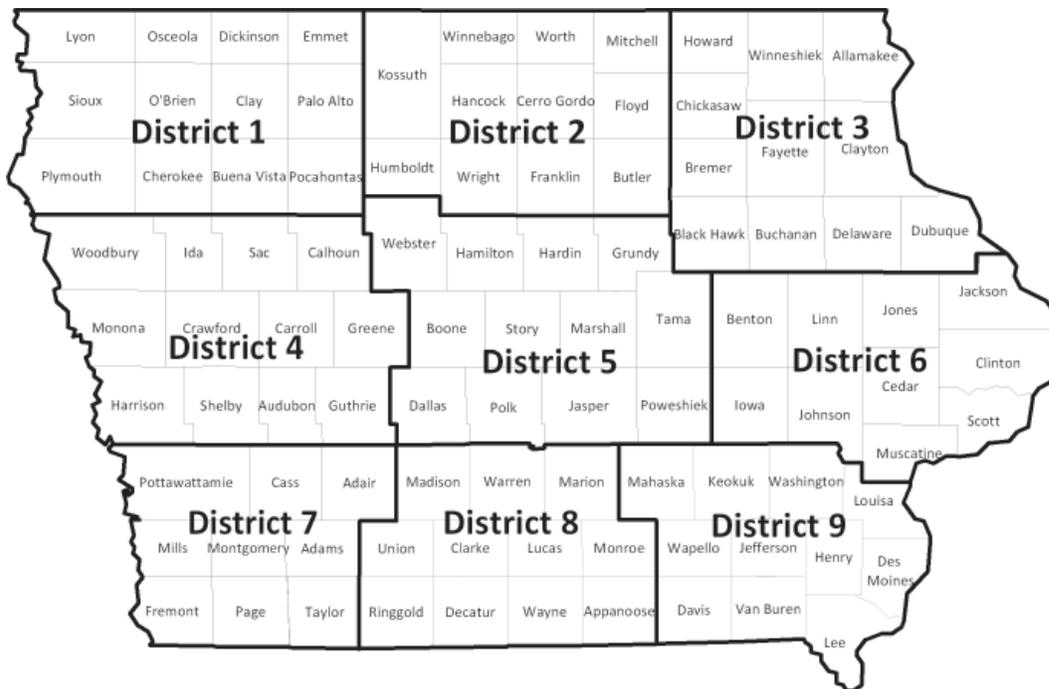


Table 1. Overall Average of Typical Cash Rents 2006-2010, Corn and Soybean Acres

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
District 1	\$136	\$149	\$174	\$187	\$188
District 2	139	155	183	196	191
District 3	144	157	190	186	192
District 4	140	151	179	196	195
District 5	144	157	191	197	195
District 6	154	166	186	193	196
District 7	122	135	161	170	176
District 8	115	126	155	146	151
District 9	124	134	161	173	169
State	\$135	\$148	\$176	\$183	\$184



2009 Farm and Rural Life Poll: Farming and food systems in rural communities*

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The Iowa Farm and Rural Life Poll is an annual survey that collects and disseminates information on issues of importance to rural communities across Iowa and the Midwest. Conducted every year since its establishment in 1982, the Farm Poll is the longest-running survey of its kind in the nation. This article highlights information from the 2009 survey on farm policy and commodity production.

Farming and food systems in rural communities

Adequate access to supermarkets or other sources of fresh, wholesome foods has become a concern in some rural areas over the last decades. At the same time, development of local food systems has come to be seen as a strategy that can address both food accessibility and rural economic development needs.

Access to food and self-reliance

Farmers were asked two questions relating to food accessibility: how far they have to travel one-way to reach a supermarket, and what percentage of the food consumed in their households is produced on their land. On average, farmers reported that they travel 10.7 miles to the nearest supermarket, for a round-trip of about 21 miles. About 25 percent of farm families live less than five miles from a supermarket, while another quarter live more than 15 miles away.

Levels of food produced on the farm for household consumption were generally low. Farmers indicated that on average about 11 percent of the foods consumed in their households was produced on their farms. Around 40 percent of farms produced less than five

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Table 1. Local food

		Strongly Disagree	Disagree	Uncertain	Agree	Strongly Agree
—Percentage—						
People are increasingly interested in locally grown foods.....		1	5	19	67	9
The state should support initiatives to help Iowa farmers sell farm products to Iowa grocery stores and restaurants.....		1	6	23	60	10
The state should support initiatives to help Iowa farmers sell farm products to institutions such as schools, nursing homes, hospitals, and prisons*....	1999	3	15	37	36	9
	2009	1	6	29	55	8
The local food movement could provide important new market opportunities for Iowa farmers		1	4	32	55	8
Farmers' markets have much to offer as an alternative for farmers to increase their incomes.....	1999	3	21	43	30	3
	2009	1	9	29	54	7
Processing plants for alternative products such as fruits, vegetables, and specialty meats should be developed to help Iowa farmers serve local and regional markets*.....	1999	1	7	49	37	6
	2009	1	4	36	53	7
Iowa imports too much food from other states and foreign countries.....		2	11	41	34	13
Most people don't care where their food is produced.....	1999	5	25	19	40	11
	2009	8	37	18	31	5

* These statements were worded slightly differently in 1999; however the meanings are substantially the same.

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percent of the food that the household used, and another 20 percent produced between six and 10 percent of what their households consumed. Only about five percent of participants reported that their farms met more than 50 percent of household food consumption needs.

Local food

The last several years have seen an increased focus on the development of local food systems as a strategy to promote economic growth, improve nutrition and strive for better environmental outcomes. Over three-quarters of participants agreed or strongly agreed that people are increasingly interested in locally grown food (Table 1). Forty-seven percent agreed that Iowa imports too much food from other states and foreign countries. Strong majorities supported efforts to develop local food systems, with over 60 percent of farmers in agreement that the local food movement could provide important new market opportunities for Iowa farmers and 70 percent agreeing that the state should support initiatives to help Iowa farmers sell products in Iowa grocery stores and restaurants.

Several of the questions asked in this year's Farm Poll were also asked in the 1999 Farm Poll, and the comparisons allow us to chart trends in beliefs about local food systems over the last decade. In 1999, 51 percent of farmers agreed with the statement "Most people don't care where their food is produced" compared to only 36 percent in 2009 (Table 1). Another question that was posed in both years asked farmers whether the state should support initiatives to help Iowa farmers sell products to institutions such as schools, nursing homes, hospitals and prisons. Sixty-three percent agreed in 2009, up from 45 percent in 1999. Statements about developing strategies that help Iowa farmers to access local and regional markets for fruits and vegetables were presented in both years. In 2009, 60 percent of

farmers agreed that such initiatives should be pursued, compared to 43 percent in 1999. Finally, the statement "Farmers' markets have much to offer as an alternative for farmers to increase their incomes" garnered agreement among 61 percent of farmers in 2009, nearly double the 33 percent that agreed with the same statement in 1999. Taken together, these results indicate that Iowa farmers are increasingly supportive of and interested in participating in local food systems.

Survey information

Iowa State University Extension, the Iowa Agriculture and Home Economics Experiment Station, and the Iowa Department of Agriculture and Land Stewardship are all partners in the Farm Poll effort. The information gathered through the Farm Poll is used to inform the development and improvement of research and extension programs and is used by local, state, and national leaders in their decision-making processes. We thank the many farmers who responded to this year's survey and appreciate their continued participation in the Farm Poll.

Who participates?

The 2009 Farm Poll questionnaires were mailed in January and February to a statewide panel of 2,201 farm operators. Usable surveys were received from 1,268 farmers, resulting in a 58 percent response rate. On average, Farm Poll participants were 64 years old, and had been farming for 39 years. Fifty percent of farmers reported that farm income made up more than half of their overall 2008 household income, and an additional 20 percent earned between 26 and 50 percent of their household income from farming. Copies of this or any other year's reports are available from your county ISU Extension office, the Extension Online Store (www.extension.iastate.edu/store), Extension Sociology (www.soc.iastate.edu/extension/farmpoll.html) or from the authors.

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BRICs: A “game changing” group of developing countries?

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Usually, reports from meetings of a group of country leaders don't attract our attention all that much, but articles written after a recent meeting of leaders from a handful of developing countries made us sit up and take notice. The event was a joint meeting of two overlapping groups of developing countries: BRIC (Brazil, Russia, India, and China) and IBSA (India, Brazil, and South Africa) or as some have dubbed the combination BRICs.

These nations represent 42 percent of the world's population, 32 percent of the world's arable land mass, and 22 percent of the global GDP. They have been important in leading the global recovery following the recent economic crisis. They also see themselves as growing faster in the future than the U.S., the European Union and Japan. And they want to use their new-found economic clout.

In fact, they see their group of countries as potentially providing a counter balance to the global power of the U.S. and the West. They are reportedly seeking influence in world venues on par with the likes of the World Bank, The International Monetary Fund and the United Nations (UN). As a report in *The Economic Times* (India) said, “[Indian Prime Minister] Manmohan Singh made a vigorous case for a ‘multipolar, equitable, democratic, and just world order.’” Part of the rationale behind the April Brasilia meeting was to give BRICs the opportunity to develop a unified strategy before meetings of the G-8 and G-20 nations.

A second set of issues touches closer to home and is of importance to U.S. farmers. As Aleksandras Budrys wrote in a Reuters article, “Agriculture ministers from Brazil, Russia, India and China, which together have a third of the world's arable land, agreed on Friday [March 25, 2010] to pool resources to combat famine that affects more than 1 billion people globally. The ministers from the countries collectively known as BRIC signed a pact to create a joint agricultural information base that will help each country to calculate production and consumption balances and establish national grain reserves.”

Having been affected by the 2006-2008 run-up in grain prices, they want to make sure that they are not at the mercy of other nations when it comes to their own food security. They are looking at ways to safeguard food security by coordinating trade within the group.

As was noted in a Reuters article, “The emerging BRIC economies produce 40 percent of the world's wheat, half of its pork and a third of its poultry and beef; [and] Russia...is positioning itself as a major supplier of grains to the world market. It plans to double grain exports within 15 years and to raise its harvests by 50 percent.”

Although, up to now, China has been only a sporadic net importer of grain, China's rapidly expanding live-stock industry could mean it will be a sizable fill-in importer of grains in the future. In addition to securing the use of land resources outside of the country to augment domestic grain supplies, China can use the “BRIC arrangement” to help cover future feed grain needs. Brazil is already a dominant-growth source of soybeans for the protein portion of feed rations.

With regard to meat, Brazil currently supplies Russia with 65 percent of its meat imports. At present, Russia says it wants to limit its meat imports to 15 percent of its total meat consumption, so if Brazil gets 65 percent of the 15 percent (9.75 percent), there is not a lot of room left for others (5.25 percent). But over time—read three to five years—Russia has a stated goal of joining China as virtually being self-sufficient in the production of pork and poultry.

The BRICs coalition does not bode well for the portion of the U.S. export-centric farm policy narrative that is premised on ever-expanding growth in grain exports due to accelerating demand for livestock feed in China. It increases the odds that we will find ourselves awash in grains and oilseeds and be subject to drowning in the teacupful of low prices.

The larger question is will BRICs achieve its desired “game changer” role in the areas of international agricultural development and trade.

Updates, continued from page 1

Internet Updates

The following updates have been added on www.extension.iastate.edu/agdm.

Understanding Iowa Corn Suitability Ratings (CSR) -- C2-86 (8 pages)

Iowa Townships -- C2-88

Restaurant and Institutional Sales -- C5-38 (2 pages)

How to Approach Potential Buyers -- C5-39 (2 pages)

Building Your Brand -- C5-50 (2 pages)

Building Your Brand with Flanker Brands -- C5-51 (2 pages)

Decision Tools and Current Profitability

The following tools have been added or updated on www.extension.iastate.edu/agdm.

Season Average Price Calculator -- A2-15

Returns for Farrow-to-Finish -- B1-30

Corn Profitability -- A1-85

Returns for Weaned Pigs -- B1-33

Soybean Profitability -- A1-86

Returns for Steer Calves -- B1-35

Ethanol Profitability -- D1-10

Returns for Yearling Steers -- B1-35

Biodiesel Profitability -- D1-15

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