



# Ag Decision Maker



A Business Newsletter for Agriculture

Vol. 20, No. 9

www.extension.iastate.edu/agdm

July 2016



## Iowa State University Beginning Farmer Center is expanding programs

By William Edwards, retired extension economist

Iowa State University Extension and Outreach established the Beginning Farmer Center (BFC) to assist young people who want to start farming and existing farmers who wish to transition their businesses to the next generation. To get a start in farming at a young age people need access to land, livestock and machinery. Existing farmers who are nearing retirement can make these assets available through lease, sale, trade or gift, rather than simply liquidating their businesses. The number of farmers ready to shift responsibility to the next generation is increasing. As part of a USDA grant, Iowa State University Extension and Outreach is increasing its efforts to facilitate farm business transitions.

### Programs for beginning farmers

The BFC is coordinating “Start to Farm” peer learning groups for young farmers across the state. These groups will receive in-depth exposure to production and marketing topics of their choosing, as well as learn how to develop financial statements and use them to make business decisions and secure credit.

The BFC also founded and supports the Beginning Farmer Network, a club for ISU students planning a career in farming. The club meets monthly, and schedules speakers and events to help them realize their goals. The BFC also is partnering with Veterans in Agriculture, a non-profit organization that reaches out to Iowa veterans interested in a career in farming.

A new short course, “From the Ground Up: Creating a Plan to Grow Your Farm Business,” will be offered beginning in January 2017. It will focus on identifying strategies for new or aspiring operators to meet their

*continued on page 2*

### Handbook updates

For those of you subscribing to the handbook, the following updates are included.

#### Historical County Cropland Rental Rates – C2-11 (10 pages)

Please add these files to your handbook and remove the out-of-date material.

*continued on page 6*

### Inside . . .

Research briefs from the ISU Department of Economics.. Page 2

Impact of ISU Extension and Outreach leasing programs .....  
..... Page 4

Iowa State University Beginning Farmer Center is expanding programs, continued from page 1

farming goals. Participants will develop a written farm business plan to share with lenders and family members. The eight-part course will meet weekly at various locations across the state.

**Programs for established farmers**

Iowa State University also helps established farmers plan for the future, in particular those who have yet to determine what will happen to their farming operations as they approach retirement. The Beginning Farmer Center and the International Farm Transition Network are building a network of trained farm transition facilitators from both the public and private sectors. These professionals will assist farmers in farm succession planning, communication and implementation.

*Farm Transitions: Preserving Your Legacy* is a new electronic newsletter for farmers who want to learn more about farm succession planning and implementation. Each quarterly issue will contain articles about transferring the farm business, making the farm transition work, farm business arrangements and estate planning for farmers. Anyone who wishes to receive this free newsletter can go to [www.extension.iastate.edu/bfc/](http://www.extension.iastate.edu/bfc/) and provide their email address. It will not be used for any other purpose.

**Programs for both beginning and established farmers**

Ag Link is a service to help preserve family farm businesses by matching beginning farmers who do not have access to land, machinery or



livestock with retiring farmers who want to continue their family farm business but do not have an identified successor. Ag Link maintains an electronic data base of both aspiring and retiring farmers and will provide assistance in identifying matches and developing joint business arrangements.

“Returning to the Farm” is a four-day seminar offered on the Iowa State University campus for farm families with an identified successor. Topics focus on how to smoothly bring a younger member into the farming operation. The BFC will also partner with other post-secondary schools and extension specialists throughout the state to deliver this seminar.

Additional assistance with farm transition planning is available from the Beginning Farmer Center at 10861 Douglas Avenue in Urbandale, Iowa. For more information visit [www.extension.iastate.edu/bfc/](http://www.extension.iastate.edu/bfc/), or call 877-232-1999.

**Research briefs from the ISU Department of Economics**

**Department news**

*Recent publications by Huffman*

Wallace Huffman, professor, had an article published in the most recent issue of Choices, a publication of the Agricultural and Applied Economics Association. In “[New Insights on the Impacts of Public Agricultural Research and Extension](#),” Huffman states that given

the established importance of investing in agricultural research and extension, those engaged in the public agricultural science and agricultural extension policy debates need up-to-date estimates of the expected returns on investment of public funds in both of these activities.

Research briefs from the ISU Department of Economics, continued from page 2

New Publication: Wallace Huffman, "[Issues in GM and Non-GM Coexistence: A United States Perspective.](#)" EuroChoices (Special Issue on GMO Coexistence) 15(April 2016): 69-73.

Recent publication by Zhang [Spatial Heterogeneity, Accessibility, and Zoning: An Empirical Investigation of Leapfrog Development](#), Journal of Economic Geography, first published online April 5, 2016 doi:10.1093/jeg/lbw007

Recent publication by Swenson [The Economics of Local Food Systems: A Toolkit to Guide Community Discussions, Assessments, and Choices](#), a report from the [USDA's Agricultural Marketing Service](#), includes David Swenson, associate scientist contributing as an author.

Spring 2016 Alumni Newsletter available The [Spring 2016 Department of Economics Alumni Newsletter Update](#) is now available online.

Soil Management Conference a success The 89<sup>th</sup> [Soil Management and Land Valuation Conference](#) took place on May 18. More than 280 farm managers, rural appraisers, real estate brokers, ag lenders and others attended this year's conference.

Ag Entrepreneurship Initiative fosters business startups Kevin Kimle, senior lecturer and director of the Agricultural Entrepreneurship Initiative, has assisted in the creation and development of [Ag Startup Engine](#), which is a private-sector entity.

**Award Recipients**

*Miranowski named AAEA Fellow*  
The AAEA Fellows Selection Committee has selected John A. Miranowski to be honored as a 2016 Agricultural & Applied Economics Association Fellow.

*Kimle receives achievement award*  
Kevin Kimle, senior lecturer, has been given the ISU Award for Achievement in Economic Development in Iowa. The award is a reflection of his commitment to Iowa State, his professional reputation, and the esteem of his peers.

*Kling named to President's Chair in Environmental Economics*  
President Steven Leath has named Catherine Kling to the President's Chair in Environmental Economics for her exemplary performance and contributions to natural resources and environmental economics. Kling was honored April 15 at a medallion ceremony during the ISU Foundation Governors luncheon.

*Lence, Hart named exemplary mentors*  
Each spring, the Office of the Senior Vice President and Provost recognizes faculty members who have demonstrated exemplary mentoring of junior faculty. Sergio Lence, professor and Marlin Cole Chair of International Agricultural Economics, and Chad Hart, associate professor, and have been selected as exemplary mentors for the 2015-16 academic year.

*Wintersteen honored*  
Dean of Iowa State University's College of Agriculture and Life Sciences Wendy Wintersteen was presented the Distinguished Service to Iowa Agriculture Award by the Iowa Chapter of the American Society of Farm Managers and Rural Appraisers.

Wintersteen was recognized for her leadership in the growth of undergraduate education in the College of Agriculture and Life Sciences, serving the state as an extension specialist and being a "champion for the students, faculty and staff in the college and for the agricultural industry in Iowa."

Research briefs from the ISU Department of Economics, continued from page 3

Student award recipients

The Iowa State student chapter of the National Agri-Marketing Association was awarded 1st place for Outstanding Student Chapter at the 2016 National Agri-Marketing conference.

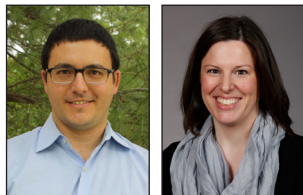
Iowa State University student teams won the overall sweepstakes award among four-year institutions at the North American Colleges and Teachers of Agriculture (NACTA) Judging Conference April 14-16, 2016.

In Memoriam

Emeritus Professor George Wells Ladd, 91, died May 22, 2016.

Darnell Smith, 64, former employee of the Economics Department for many years, died May 17, 2016.

Ron Prescott, 59, long-time employee of the Department of Economics, died May 14, 2016.



Impact of ISU Extension and Outreach leasing programs

By Alejandro Plastina, extension economist and assistant professor in economics, 515-294-6160, plastina@iastate.edu; Ann Johanns, extension program specialist, 641-732-5574, aholste@iastate.edu

With over half of Iowa farmland under some form of lease agreement, leasing is a key issue for the Iowa State University Extension and Outreach Farm Management Team. After a peak in the statewide average for cash rents on cropland acres of \$270 in 2013, cash rents have been slowly declining. Even so, an estimated \$3.6 billion exchanged hands under rental agreements in 2015. The decline in cash rents has not decreased to the same degree that ag revenues have. Due to this, there is increased pressure on farm operations with a large portion of their acres under a rental agreement. As land owners become further removed from the land they own, they look to Iowa State University Extension for an unbiased look at the current farm situation.

In partnership with county staff and private partners, over 80 meetings were held focused on farmland leasing in July, August and September of 2015. Through these meetings ISU Extension and Outreach specialists had attendance of over 1,845 participants at the 2015 leasing meetings. Online resources focused on farmland leasing are heavily downloaded. The ISU Cash Rent Survey was downloaded 164,234 times in 2015.

Example cash lease forms were downloaded 138,820 times. Table 1 shows the primary occupation of the leasing audience in 2015.

When asked why participants attend Extension and Outreach farmland leasing meetings, a follow-up survey found almost one-third participated to gain knowledge specifically on rental markets and trends. Twenty-one percent indicated they wanted to learn information for communicating with the other parties involved in the rental agreement. Ninety-five percent of those surveyed were satisfied or very satisfied with the effectiveness of the leasing program.

Table 1. Which of the following would you consider to be your PRIMARY occupation?

Table with 2 columns: Occupation and Percentage. Rows include Non-farming landowner (44%), Active farmer (29%), Ag lender (7%), Attorney or Accountant (2%), Professional farm manager (1%), Other (please specify) (16%), and Total (100%).

Impact of ISU Extension and Outreach leasing programs, continued from page 4

Program evaluations also asked intended changes for 2016, Figure 1 shows changes participants indicated they would make to their leasing agreements for the 2016 lease year as a results of attending the farmland leasing meeting.

### 2016 farmland leasing programs

The feedback provided in the 2015 follow-up survey was used in determining the focus of the 2016 program. When asked what topics participants would like to have covered in 2016, cost of production, determining fair rates and taking care of the land were the top 3 issues requested. Forty-four percent of respondents stated they attend year-after-year to hear current information from ISU Extension and Outreach.

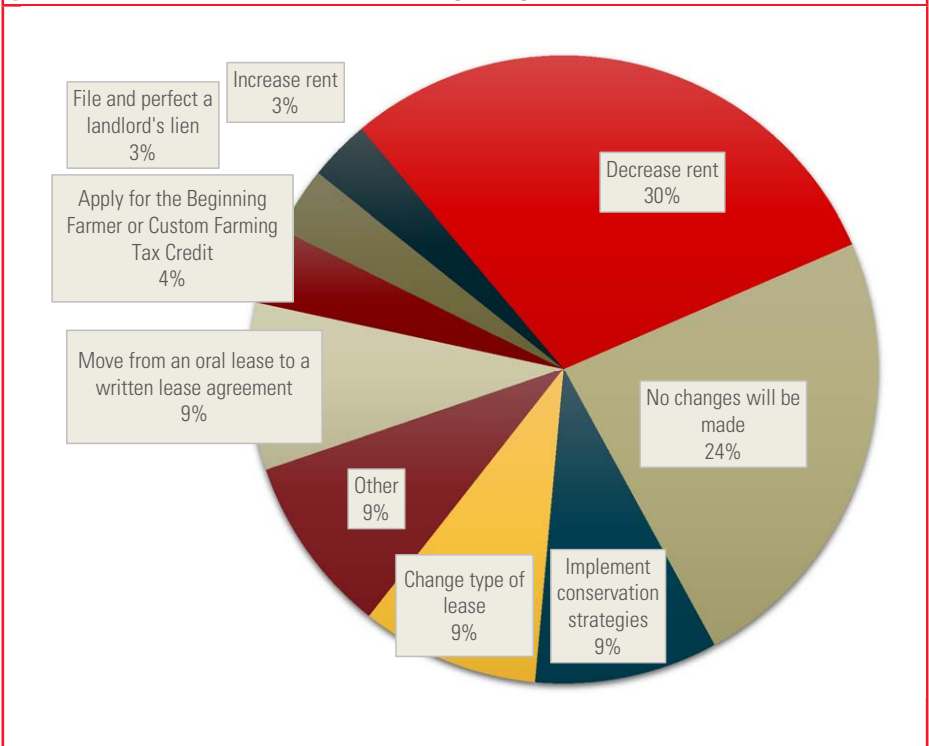
While not every unique situation can be covered in the 2-3 hour program, online videos and resources on the [Ag Decision Maker Leasing page](#), as well as farm management staff are available to help Iowan's with further questions on farmland leasing.

### Attend a local meeting

The leasing meetings held across Iowa are facilitated by farm management specialists with ISU Extension and Outreach. A listing of county offices hosting the 2016 meetings is available through the Ag Decision Maker website for [July](#) and [August](#).

For registration information, contact your local [ISU Extension and Outreach county office](#). Pre-registration is encouraged as an additional fee may be

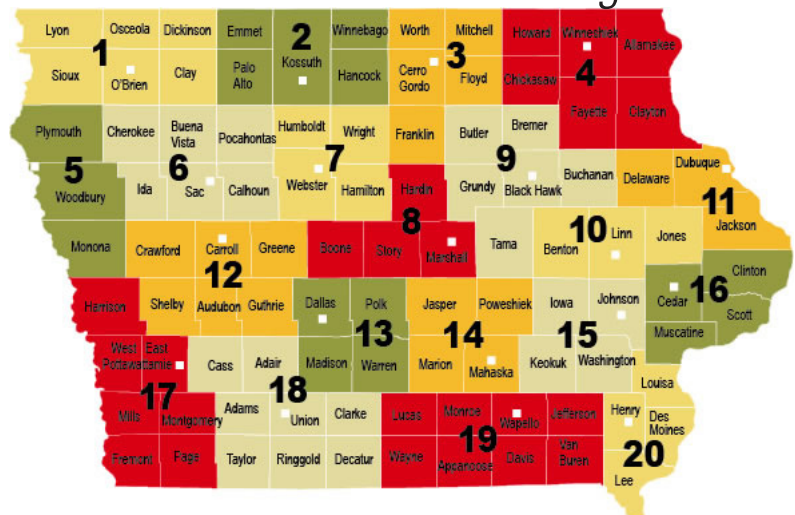
**Figure 1. Intended changes to lease arrangements based on information presented at 2015 Farmland Leasing Programs**



added if registering less than two calendar days prior to the meeting date.

The [Ag Decision Maker leasing section](#) also provides useful materials for negotiating leases, information on various types of leases, lease forms, and newly updated Decision Tools.

## Farmland LEASING Meetings



Updates, continued from page 1

**Internet Updates**

The following Information Files and Decision Tools have been updated on [www.extension.iastate.edu/agdm](http://www.extension.iastate.edu/agdm).

- Estimated Costs of Production for Winter Canola in Iowa – A1-24 (4 pages)
- Estimated Costs of Production for Winter Canola in Iowa – A1-24 (Decision Tool)
- Farm Employee Management: Applicant Background Checks – C1-80 (1 page)
- Farm Employee Management: Terminating Employees in Iowa – Considerations and Guidelines – C1-81 (2 pages)
- Iowa Farm Lease Form – C2-12 (11 pages)
- Developing a Farm Newsletter for Landlords – C2-14 (2 pages)
- Iowa Cash Rent Farm Lease (Short Form) – C2-16 (4 pages)
- Critical Success Factors for Business Transfers – C4-12 (2 pages)
- Transferring Business Management – C4-15 (2 pages)

**Current Profitability**

The following tools have been updated on [www.extension.iastate.edu/agdm/info/outlook.html](http://www.extension.iastate.edu/agdm/info/outlook.html).

- Corn Profitability – A1-85
- Soybean Profitability – A1-86
- Iowa Cash Corn and Soybean Prices – A2-11
- Season Average Price Calculator – A2-15
- Ethanol Profitability – D1-10
- Biodiesel Profitability – D1-15

**... and justice for all**

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

Issued in furtherance of Cooperative Extension work, Acts of September 8 and December 30, 1914, in cooperation with the U.S. Department of Agriculture. Cathann A. Kress, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.

**Permission to copy**

Permission is given to reprint ISU Extension and Outreach materials contained in this publication via copy machine or other copy technology, so long as the source (Ag Decision Maker Iowa State University Extension and Outreach) is clearly identifiable and the appropriate author is properly credited.