Conservation, Incomes, and Farmland Leasing





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IL CORN GROWERS ASSOCIATION

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CONSERVATION STEWARDSHIP

PCM – Precision Conservation Management

Focused on financial impacts of conservation

Nitrate water testing program Test strips mailed to all IL Corn members

Fall Covers for Spring Savings Program

\$5/A crop insurance premium reduction from IL Dept of Ag for using cover crops

Various Cover Crop Programs

Reduced cost for first time cover crop user program Cover Crop Coupon Program

Farmland Conservation Lease Addendums

Conservation Habitat, Soil Health, Nutrient Management

IL Nutrient

Loss Reduction Strategy: Overall reduction of losses from phosphorus and nitrogen by 45%

Interim Goal of reduction of losses of 25% from phosphorus and 15% from nitrate-nitrogen by 2025

Outline

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Part 1

Overview of farmland leasing in Illinois

ILLINOIS

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Part 2 Conservation addendums

Part 1: Farm Leases Basics

Leasing 101

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Lease

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Farmland Leased in Illinois

In Illinois, 50% of farmland is rented (ERS, 2016)

Larger grain farms tend to rent more

Illinois has largest rented percent in U.S.

- Indiana, 45%
- Iowa, 41%
- Ohio, 37%

Tenure on grain farms in FBFM, 2019

	Northern	Central	Southern
Owned	19%	14%	22%
Share-rent	21%	42%	36%
Cash-rent	60%	44%	42%

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Leasing Basics

Written lease is **best** (although many leases are not)

If not a written lease and landowner wants to terminate lease, must provide notice by **October 31**, specification in written lease will supersede the October 31 deadline

Most leases are one-year leases, or year-to-year leases, do not have many leases that are of longer term. Rare to have a lease over 2 or 3 years.

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Lease types

- **1. Cash rent**: farmer pays landowner for right to farmland, farmer receives all revenue and pays all expenses, except land costs (property tax)
- 2. Share rent: share in revenue (crop revenue and government programs) and direct costs (seed, fertilizer, pesticides, drying, storage, crop insurance)
- 3. Variable cash rent:

cash rent varies with crop revenue

4. Custom farming: landowner pays for for field operations, bears all costs, receives all revenue

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Share rent 23%

Variable Cash Rent 19%

Share rent (with modifications) 10%

Custom farming, 6%

Share rent arrangements

In northern and central Illinois, 50-50 prevail

Sometimes have a supplemental rent of \$20 to \$30 per acre paid by farmer to landowner

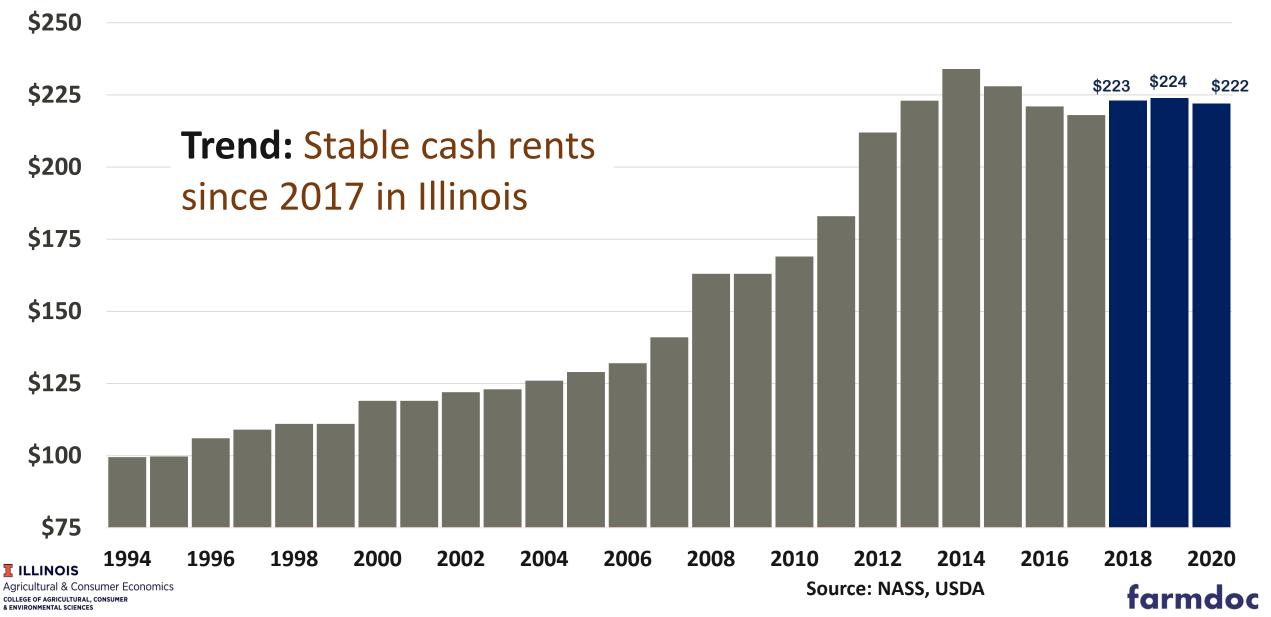
Farmer bears all the labor and machinery expenses

Land Owned and Rented, Grain Farms in Illinois FBFM, 2019

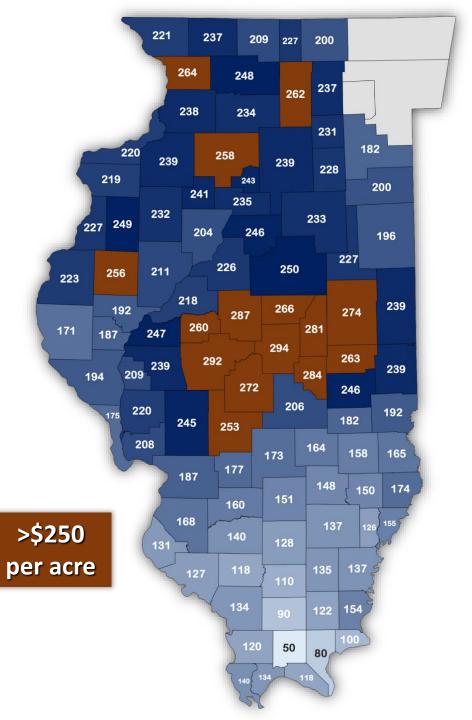
	Northern	Central	Southern
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Illinois Cash Rents



2020 Average Cash Rents in Illinois from NASS



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Change in Cash Rents in

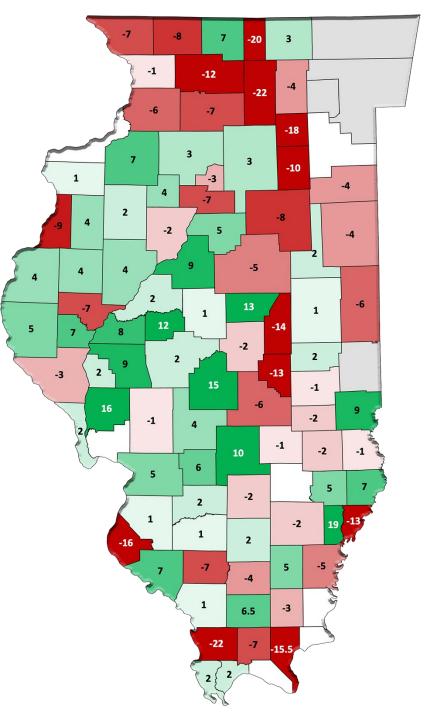
Illinois from NASS

2020 Minus 2019 Cash Rents

We have not seen

a lot of movement

in cash rents in recent years



farmdoc

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Illinois Society of Professional Farm Managers and Rural Appraisers indicate very slight decreases in 2020 cash rents

	Rent in	\$/acre
Land Productivity	Actual 2019 Rent	Expected 2020 Rent
Excellent	302	298
Good	261	254
Average	212	205
Fair	170	167

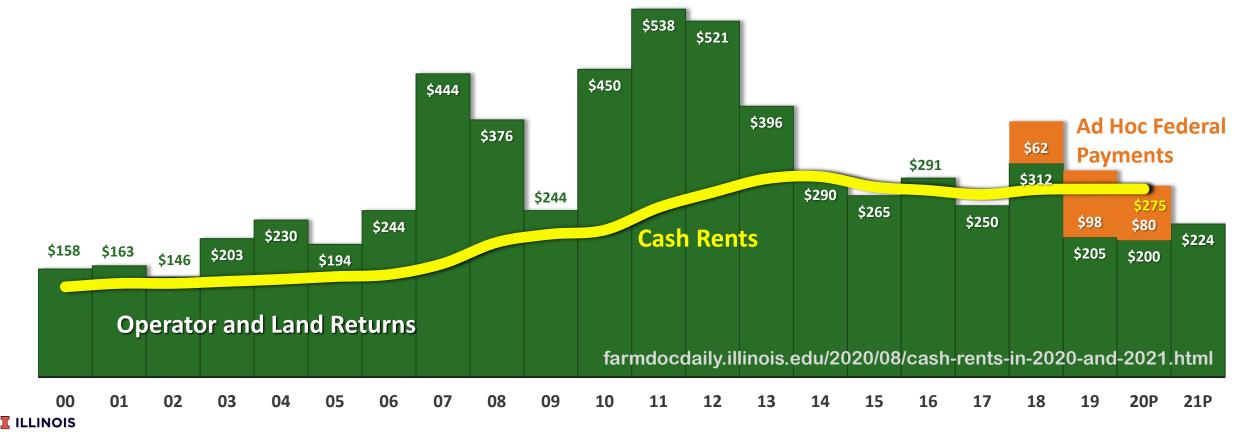
Values represent rents on professionally managed farmland

Agricultural returns suggests lower cash rents, but cash rents are sticky

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Operator and Land Returns and Cash Rents, High-Productivity Farmland in Central Illinois, 2000 to 2021P.

Ad hoc payments helped to achieve break-even returns in 2019 and 2020*** Flat rents and other costs



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Source: Data summarized from farms enrolled in Illinois Farm Business Farm Management (FBFM)

Corn and Soybeans, Central Illinois, High-Productivity

-	Corn		S	Soybeans			
	2018	2019	2020P	2018	2019	2020P	
Yield per acre	237	208	230	75	64	72	
Price per bu	\$3.60	\$3.65	\$3.55	\$9.36	\$8.60	\$9.30	
Crop revenue	853	759	817	702	550	670	
ARC/PLC	0	15	15	0	15	15	
MFP	1	82	0	122	82	0	
CFAP		31	30	0	14	16	
Crop insurance	2	14	2	2	10	2	
Gross revenue	856	901	864	826	671	703	
Total non-land costs	574	606	571	353	372	359	
Operator and land return	282	295	293	473	299	344	
Cash rent	274	275	275	274	275	275	
Farmer return	8	20	18	199	24	69	

- 2020 yields are very good
- Built into budgets is \$50 for CFAP in 2020. Those are in addition to those whose sign up is going on now. Those are not for certain.
- Yellowed items are ad hoc disaster assistance payments

	50% Corn and 50% Soybean Rotation								
	Farmer return	104	22	44	(with ad hoc Federal payments)				
INOIS		42	-83	21	(without ad hoc Federal payment				
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Farm Lease: Contract

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farmdoc	Market Prices	Sections 1	Tools Publications	Webinars/IFES	Sponsors/Donate	About Us
Agricultural Law						
Illinois Farmland Leasing and Rental Fo	rms					
Crop Share Lease Form – PDF Livestock Share L	ease Form – PDF	Fixed Cash I	Rent Lease Form – Shoi	rt Pasture Lea	ise Form – PDF	

Crop Share Lease Form - PDF May 19, 2006 The lease form represents a basic model for an agricultural lease. The parties to the lease or their legal counsel may wish to consider modifications to better meet the needs of the particular landowner or tenant. Form is fillable PDF format.	Livestock Share Lease Form - PDF February 8, 2005 The lease form represents a basic model for an agricultural lease. The parties to the lease or their legal counsel may wish to consider modifications to better meet the needs of the particular landowner or tenant. Form is fillable PDF format.	Fixed Cash Rent Lease Form - Short Form - PDF May 19, 2006 The lease form represents a basic model for an agricultural lease. The parties to the lease or their legal counsel may wish to consider modifications to better meet the needs of the particular landowner or tenant. Form is fillable PDF format.
Illinois Cash Farm Lease Form – PDF	Conservation Habitat Addendum –	Nutrient Management Addendum –
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counsel	Illinois Crop-Share Farm Lease, or any	Illinois Crop-Share Farm Lease, or any
read more	other lease.	other lease.

October 31 is "Notice" Deadline for Many Farm Leases

June 1, 2006 This short article discusses Illinois law regarding the termination of year to

year tenancies of farmland, including the notice content, timing, and delivery methods described in the Illinois Compiled Statutes.

Illinois Crop-Share Farm Lease, or any any

farmdoc.illinois.edu/agricultural-law

February 8, 2005

read more

Addendum – PDF

September 26, 2019

other lease. read more

The lease form represents a basic model for an agricultural lease. The parties to the lease or their legal

counsel may wish to consider modifications to better meet the needs

Form is fillable PDF format.

Soil Health and Conservation

This addendum can be used for either

the Illinois Fixed Cash Lease Form or

of the particular landowner or tenant.

Illinois Crop-Share Cash Farm Lease	
Illinois Crop-Siter -	f Entry,
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General fillable pdf; also template for discussion and negotiation between landlord and tenant.

If an addendum is to be added, suggest adding to lease (section 7): "Incorporation by Reference: All exhibits and addenda attached hereto are hereby incorporated into this Lease and a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control."

farmdoc

read more

Part 1: Farm Leases Basics

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mailing address is and	ated shares for any items or	mit to be erected any structure or building	 The Lessor and Tenant shall decide each overnmental programs designed to aid 		
		pense to the Lessor for such purposes.	its for doing so and the cost involved shall	ig in this lease shall confer upon the	Signatures and Date Signed
x(s) (Insert Tenun's exact name):	Amount (\$) or share (%) to be paid or	al wiring, plumbing, or heating to any nt is given such additions must meet		Lessor together with the ch mineral rights	essor:
se(s) (Insert i tunni	furnished by	irements of power and insurance	ments. At the end of this lease, the Lessor		
en maling address is	Tenant Lessor			wm and work any mile over the premises	emant:
social Security Number or Employee		surage, or invite other persons to use any operty for any purpose or activity not	ng cost in limestone. The Tenant's	, and structures as may be may be	
whose some following provisions.		s use for agricultural production, except	loulated by depreciating the Tenant's net percent annually.		and.
whose Social Security Names are to the following provisions. The parties to this lease agree to the following provisions. Section 1. Description of Rented Land and Length of Tenure and leases to the Tenat (Lease), to occupy and to use for agricultural purpose only, the and leases to the Tenat (Lease), to occupy and to use for agricultural purpose only, the		d here:	oluble phosphate (P2O3) and potash	s and to release the Tenant form	mant;
A Description of Land. The Landowner (Lesser) rests and leases to the Tenant (Lesser), to occupy and to use for agricultural purposes only, the and be State of			a crops harvested for grain in the last	ing this property when developed	
A Description of Rented to the set of agricultural purposes only, and			amount of these plant food along out	materially with the Tenant's opportunity	asce;
Section 1. Debut in transit (Lessee), to occupy and to use the transited as follows:			ontained in the Tenant's share of these		lant:
and described and		ent pasture or meadowland.		The Tenant takes possession of the	
and the State of		sk on any tillable land except by annual		he hazards of operating a farm, and personally as well as for family,	
A. Description		e cornstalks, straw, or other crop			K.
A Description of Lance		the farm.	lease. If, during the last six months of	ings, fences, tile, and other	
acres, informately acres, informately		or sale purposes or personal uses.	to terminate has been given if di	The	
farm and consisting or opp		to be erected any commercial be farm, other than seed variety signs,	me a year to year lease, the parties fail use, cropping system, fertilizer	. The terms of this lease shall be ors, administrators, and assigns of both	
and the Lessee share entering		greement, contract, or other farming or	a from the lease provisions than the	anner as upon the original parties.	sture
commonly know as the		that alters rights in the Lessor's	se shall prevail or, in the absence of essor shall decide and the Tenant		
20		of entry, default or possession.	decisions. The Lessor's decisions		
buildings. The term of this lease shall be inversion thereof. Extensions must be	B	ts:	ions in this lease or violate good	5	
B. Length of tends of this term or at the end of any extent the end of the current term and the tend of this term or at the end of the before the end of the current term and the tend of the term of term of the term of term	and the second se				
commonly know as 6e			of lease. At the termination of this right to remove up to(tons,		ure
failure to execute an extension			(tons, bales) of straw grown on this		
a trate ion of Crops, Storage,			int.		There's .
B. Length of tensors. The terms at almost one of any extension between entropy of the entro		lures	nd Tenant affirm the goals of		mant's copies of lease,
constant of the Lessor of the Lessor's again the Crop share of the Crop	and the second second		ad preserving the productivity of the		
A Share rent: The Tenant agrees to pop Crop share of crop			with their needs and desires for r individual inputs on the leased		
Landlord's Other		per acre	be to implement as far as possible at		Lawr
Crop share of crop Alfalfa	-		nmended by the Natural Resource verate with that agency's soil and		Lease Extension # 3
hay		per person	- Burn's a war and	Date	shall be extended
		per occurrence	labor. The Tenant shall be solely		extended
Soybeans Straw	roent	per occurrence	ations on hired labor with some of a	Date	, 20
Oats		required by statute	unity and workers' compensation have no responsibilities therefore.	Date	. 20
wheat	editors	Certificate of Insurance and give	ements		. 20
interest to store, at the Lessor's request, and the starts on the unit of the store	98.		ements	Date	Lessor
Com Steam Outs Silar Wheet Silar B. Storage. The Texast agrees to store, at the Lesse's report, as much of the Lesse's share of the crops as possible, using not more than B. Storage. The Texast agrees to store, at the Lesse's report, as much of the Lesse's share of the crops as possible, using not more than Formation Texast agrees to store, at the Lesse's report, as much of the Lesse's share of the crops as possible, using not more than Formation Texast agrees to store, at the Lesse's report, as much of the Lesse's share on the farm. Formation Texast agrees to store, at the Lesse's report, as much of the Lesse's share of the crops as possible, using not more than		ance policies will name the			the second se
of the total space per the total space per the total space per tota				Date	Tenant
CSL 01-0911. Form edited by S. Extension Farm Business					
Farmdoc Form.					
express or					

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Part 4: Conservation Addendums Options for Leasing

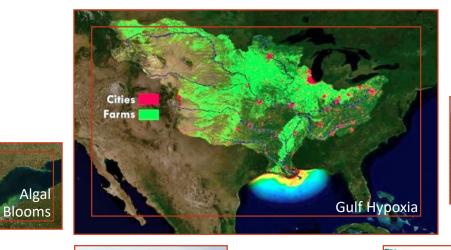




Conservation Pressures on Farming



 Consumer & food chain demands for sustainable production & sourcing







Drainage

 ✓ Impacts on water quality (local to the Gulf);

 ✓ Impacts on soil health, land stewardship.

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Note on Conservation Policy: Compliance



Highly Erodible Lands (plan for control).



Wetlands (drain or plant).

1985 Farm Bill creates; crop insurance eligibility included. Compliance for crop insurance eligibility removed in 1996 Farm Bill; 2014 Farm Bill reattaches to premium subsidy on forward-looking basis.

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ECOSYSTEM SERVICES MARKET CONSORTIUM

Ecosystem Markets. Built for Producers. Backed by Science.

MISSION: To advance ecosystem service markets that incentivize farmers and ranchers to improve soil health systems that benefit society.

https://ecosystemservicesmarket.org/

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Issue with a Cover Crop

Cover crops

- Environmental benefit: Reduce nitrogen in drainage tiles
- Build up of organic matter, over time, with potential yield advantages in the future
- Farmers need to build experience

Payoffs are long-run or not accruing to farm, leasing contracts are short-term





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Illinois Farmland Leasing and Rental Forms

Crop Share Lease Form – PDF

May 19, 2006

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The lease form represents a basic model for an agricultural lease. The parties to the lease or their legal counsel may wish to consider modifications to better meet the needs of the particular landowner or tenant. Form is fillable PDF format.

February 8, 2005

The lease form represents a basic model for an agricultural lease. The parties to the lease or their legal counsel may wish to consider modifications to better meet the needs of the particular landowner or tenant. Form is fillable PDF format.

Livestock Share Lease Form - PDF

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Illinois Cash Farm Lease Form – PDF October 8, 2019

The lease form represents a basic model for an agricultural lease. The parties to the lease or their legal counsel...

Conservation Habitat Addendum – PDF	Nutrient Ma PDF
September 26, 2019	September 2
This addendum can be used for either	This addenc
the Illinois Fixed Cash Lease Form or	the Illinois F
Illinois Crop-Share Farm Lease, or any	Illinois Crop
other lease.	other lease.

Fixed Cash Rent Lease Form – Short Form – PDF

May 19, 2006

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26, 2019

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dum can be used for either Fixed Cash Lease Form or o-Share Farm Lease, or any

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Soil Health and Conservation Addendum – PDF

September 26, 2019

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This addendum can be used for either the Illinois Fixed Cash Lease Form or Illinois Crop-Share Farm Lease, or any other lease

Addendum to normal leases

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Nutrient Management Addendum

Addresses issues with how the farmer/tenant applies fertilizer to the leased farm fields and manages soil fertility.

Maximum Return to Nitrogen (MRTN); scientific tool recommendations for corn nitrogen application; application rate, timing and method can impact crop uptake and nutrient loss (especially tile-drained fields).

Efforts to reduce or avoid fall application; push for split application and timing closer to planting (post or pre); crop growth; reduce losses and better timed for plant needs.

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NUTRIENT MANAGEMENT ADDENDUM: ILLINOIS FARM LEAS	E
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form-short- share-lease-	addendum for your lease form: Complete two identical copies of this form (one for r and one for tenant/lessee). Fill in the items below as applicable. This addendum can be used e Illinois Fixed Cash Lease Form [https://farmdoc.illinois.edu/publications/fixed-cash-rent-lease- form-pdf] or Illinois Crop-Share Farm Lease [https://farmdoc.illinois.edu/publications/crop- form-pdf], or any other lease; it can be attached directly to the lease or sent separately from the ction 7 of the Illinois Cash Lease Form, write in the following:
inco	rporation by Reference. All exhibits and addenda attached hereto are hereby rporated into this Lease and made a part hereof. If there is any conflict between such bits or addenda and the terms of this Lease, such exhibits or addenda shall control.
NOTE: A la	ons or addenda and the terms of this Lease, such exhibits or addenda shall control. ease and any addendum to a lease creates and alters legal rights; thus, owner/lessor and te should strongly consider discussing lease provisions with their respective legal advisors.
	NDUM FOR NUTRIENT MANAGEMENT ("Addendum") is entered into on this date, , by and between("Lessee-Tenant") and ("Lessor-Owner") to be incorporated by reference to the lease for ed by and between the same parties.
A. Recit	als:
1.	Lessee-Tenant and Lessor-Owner have entered into a certain lease for farmland;
2.	The parties hereby agree to the additional terms contained in this Addendum for the purposes of nutrient management on the farmland; and
	For due and valuable consideration as set forth in this Addendum, the receipt of which is hereby
3.	acknowledged by the parties.
B. Lesse	acknowledged by the parties.
B. Lesse 1.	acknowledged by the parties. e-Tenant agrees: That nutrient management is critical to conserving water quality and reducing nutrient losses

All nutrient application on the farmland subject to the lease will not exceed [_]% of the Maximum Return to Nitrogen (MRTN) as determined by the Corn Nitrogen Rate Calculator available at the following website: http://cnrc.agron.iastate.edu/.

1

NUTRIENT MANAGEMENT ADDENDUM: ILLINOIS FARM LEASE

To use this addendum for your lease form: Complete two identical copies of this form (one for owner/lessor and one for tenant/lessee). Fill in the items below as applicable. This addendum can be used for either the Illinois Fixed Cash Lease Form [https://farmdoc.illinois.edu/publications/fixed-cash-rent-lease-form-short-form-pdf] or Illinois Crop-Share Farm Lease [https://farmdoc.illinois.edu/publications/crop-share-lease-form-pdf], or any other lease; it can be attached directly to the lease or sent separately from the lease. In section 7 of the Illinois Cash Lease Form, write in the following:

Incorporation by Reference. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. If there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

NOTE: A lease and any addendum to a lease creates and alters legal rights; thus, owner/lessor and tenant/lessee should strongly consider discussing lease provisions with their respective legal advisors.

THIS ADDENDUM FOR NUTRIENT MANAGEMENT ("Addendum") is entered into on this date,			
, by and between ("Lessee-Tenant") and			
	("Lessor-Owner") to be incorporated by reference to the lease for		
farmland dated	by and between the same parties.		

-	fic Nutrient Management Practices (optional, select only those agreed-to): by checking a practice or practices, the Lessee-Tenant is agreeing to adopt, continue or maintain the practice(s) for the life of the lease.
	All nutrient application on the farmland subject to the lease will not exceed []% of the Maximum Return to Nitrogen (MRTN) as determined by the Corn Nitrogen Rate Calculator available at the following website: <u>http://cnrc.agron.iastate.edu/</u> .
	At least []% of nitrogen fertilizer will be applied after planting.
	Adopt split nitrogen application, such that not more than []% will be applied in the fall, []% applied before planting and []% applied after planting.
	Include the amount of nitrogen applied in the application of diammonium phosphate (DAP) or monoammonium phosphate (MAP) as part of the nitrogen plan, as follows [].

Soil Health Addendum

Farm practices such as tillage (reduced, conservation or no-till) and cover cropping can build soil health.

No-till and cover crops can add carbon, prevent erosion, improve water holding capacity, and increase soil organic matter; cover crops scavenge nitrogen, reduce losses.

Addendum provides numerous options to discuss and potentially include in the lease: tillage systems; cover crops (winter kill or over-winter; termination); how to adjust rent or deal with assistance payments.

SOIL HE	ALTH AND CONSERVATION ADDENDUM: ILLINOIS FARM LEASE
owner/lesso for either th <u>form-short-</u> <u>share-lease-</u>	addendum for your lease form: Complete two identical copies of this form (one for r and one for tenant/lessee). Fill in the items below as applicable. This addendum can be used e Illinois Fixed Cash Lease Form <u>https://farmdoc.illinois.edu/publications/ixed-cash-rent-lease- form-pdf]</u> or Illinois Crop-Share Farm Lease [<u>https://farmdoc.illinois.edu/publications/crop- form-pdf]</u> , or any other lease; it can be attached directly to the lease or sent separately from the etion 7 of the Illinois Cash Lease Form, write in the following:
inco	rporation by Reference . All exhibits and addenda attached hereto are hereby rporated into this Lease and made a part hereof. If there is any conflict between such
NOTE: A la	bits or addenda and the terms of this Lease, such exhibits or addenda shall control. ease and any addendum to a lease creates and alters legal rights; thus, owner/lessor and e should strongly consider discussing lease provisions with their respective legal advisors.
THIS ADDE	NDUM FOR SOIL HEALTH CONSERVATION ("Addendum") is entered into on this date, , by and between ("Lessee-Tenant") and
farmland date	("Lessor-Owner") to be incorporated by reference to the lease for
A. Recit	als:
1.	Lessee-Tenant and Lessor-Owner have entered into a certain lease for farmland;
2.	The parties hereby agree to the additional terms contained in this Addendum for the purposes of conservation and soil health on the farmland; and
3.	For due and valuable consideration as set forth in this Addendum, the receipt of which is hereby acknowledged by the parties.
B. Lesse	e-Tenant agrees:
1.	That the Lessor-Owner has communicated an interest in conserving and/or improving the soil health on the farmland subject to the lease;
2.	To generally farm in a manner that is expected to conserve or improve the soil health of the farmland subject to the lease, including
Soil Health	and Conservation Generally (select the provisions agreed-to):
	pliance with pollution control and environmental requirements as required by local, state and ral agencies.
	ement water conservation and soil erosion practices to comply with the soil loss standards dated by local, state, and federal agencies.

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SOIL HEALTH AND CONSERVATION ADDENDUM: ILLINOIS FARM LEASE

To use this addendum for your lease form: Complete two identical copies of this form (one for owner/lessor and one for tenant/lessee). Fill in the items below as applicable. This addendum can be used for either the Illinois Fixed Cash Lease Form <u>https://farmdoc.illinois.edu/publications/fixed-cash-rent-lease-form-short-form-pdf]</u> or Illinois Crop-Share Farm Lease [<u>https://farmdoc.illinois.edu/publications/crop-share-lease-form-pdf]</u>, or any other lease; it can be attached directly to the lease or sent separately from the lease. In section 7 of the Illinois Cash Lease Form, write in the following:

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NOTE: A lease and any addendum to a lease creates and alters legal r tenant/lessee should strongly consider discussing lease provisions with

THIS ADDENDUM FOR SOIL	HEALTH CONSERVATION ("Addend
, by and between	(''
	("I argan Owner") to have

("Lessor-Owner") to be ind

by and between the same pa

1. General Soil Health

- 2. Tillage
- 3. Cover Crop
- 4. Other
 - Maintain waterways
 - Maintain terraces
 - Maintain vegetative buffers
 - Maintain bioreactors
 - Maintain conservation structures

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Soil Health and Conservation Generally (select the provisions agreed-to):			
	Compliance with pollution control and environmental requirements as required by local, state and federal agencies.		
	Implement water conservation and soil erosion practices to comply with the soil loss standards mandated by local, state, and federal agencies.		
	To generally follow Natural Resource Conservation Service (NRCS) recommendations and guidelines for soil health, erosion control and water conservation.		
	To adhere to the requirements contained in any conservation plan for the farmland subject to the lease that has been approved by the Natural Resource Conservation Service (NRCS). The conservation plan is incorporated by reference herein.		



Specific Soil Health Conservation Practices (optional, select only those agreed-to): NOTE: by checking a practice or practices, the Lessee-Tenant is agreeing to adopt, continue or maintain the practice(s) for the life of the lease.			
	Adopt practices expected to result in []% of [or sufficient] crop residue remaining on the farmland subject to the lease at the time of planting.		
	Adopt a one tillage pass system for the farmland subject to the lease.		
	Adopt no-tillage practice system for the farmland subject to the lease.		
	That there will be no fall tillage after harvesting soybeans from the farmland subject to the lease, except for in cases of damage due to harvest where a minimum level of tillage may be used to address such damage at the discretion of the Lessee-Tenant.		
	Attempt in good faith to establish and manage cover crops on the farmland subject to the lease in such manner as the Lessee-Tenant reasonably expects to benefit soil health on the farmland subject to the lease.		

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Cover Crop Practices (select only those agreed-to):			
	Attempt in good faith to establish one or more cover crop species in the fall that is expected to survive the winter and continue growing in the spring until terminated.		
	Attempt in good faith to establish one or more cover crop species in the fall that is not expected to survive winter.		
	Attempt in good faith to participate in a local, state, or federal program for cover crop practices and if the Lessee-Tenant receives funding, s/he is entitled to all funding received.		
	If payments from a local, state or federal source, or combination thereof, do not cover the full cost of the cover crop practice, the Lessee-Tenant is responsible for all costs in excess of such assistance.		

Cover Crops: Lessons for New Adopters (PCM)

CORN, High SPR 2015-19 AVG VALUES	OVERWINTERING	WINTER TERMINAL	NO CC
# fields	107	49	1960
Yield per acre	215	217	220
Soil Productivity Rating	139	140	140
GROSS REVENUE	\$766	\$780	\$791
COVER CROP SEED	\$0-\$40	\$0-\$40	\$0
TOTAL DIRECT COSTS*	\$391	\$365	\$390
COVER CROP PLANTING	\$0-40	*	*
TOTAL POWER COSTS	\$125	\$121	\$109
OVERHEAD COSTS	\$37	\$37	\$37
TOTAL NON-LAND COSTS	\$553	\$522	\$536
OPERATOR & LAND RETURN	\$182-232	\$231-281	\$255

SOYBEAN, High SPR 2015-19 AVG VALUES	OVERWINTERING	WINTER TERMINAL	NO CC
# fields	253	15	1780
Yield per acre	68	68	69
Soil Productivity Rating	139	139	140
GROSS REVENUE	\$624	\$625	\$635
COVER CROP SEED	\$5-\$40	\$5-\$40	\$0
TOTAL DIRECT COSTS*	\$151	\$143	\$143
COVER CROP PLANTING	\$0-15	\$0-15	\$0
TOTAL POWER COSTS	\$98	\$81	\$83
OVERHEAD COSTS	\$30	\$30	\$30
TOTAL NON-LAND COSTS	\$280	\$254	\$257
OPERATOR & LAND RETURN	\$302-352	\$334-384	\$378

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Conservation Habitat Addendum

- If the leased farm includes (or adds) wildlife or other habitat areas.
- Issues for discussion and inclusion: establishment, maintenance, Integrated Pest Management, etc.
- Adjustments to rent; addressing repairs or replacement issues.

CONSERVATION HABITAT ADDENDUM: ILLINOIS FARM LEASE

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NOTE: A lease and any addendum to a lease creates and alters legal rights; thus, owner/lessor and tenant/lessee should strongly consider discussing lease provisions with their respective legal advisors.

THIS ADDENDUM FOR CONSERVATION HABITAT ("Addendum") is entered into on this date, ______, by and between _______("Lessee-Tenant") and _______("tessor-Owner") to be incorporated by reference to the lease for farmland dated _______by and between the same parties.

A. Recitals:

- 1. Lessee-Tenant and Lessor-Owner have entered into a certain lease for farmland;
- 2. The parties hereby agree to the additional terms contained in this Addendum for the purposes of habitat conservation on the farmland; and
- 3. For due and valuable consideration as set forth in this Addendum, the receipt of which is hereby acknowledged by the parties.

B. Lessee-Tenant agrees:

- 1. That the farmland subject to the lease contains one or more areas critical for wildlife habitat ("Critical Area") established by the Lessor-Owner or their representative;
- 2. That the following generally describes the Critical Area sufficient for the purposes of this Addendum

General description of the Critical Area:

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CONSERVATION HABITAT ADDENDUM: ILLINOIS FARM LEASE

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, by and between	("Lessee-Tenant") and
	("Lessor-Owner") to be incorporated by reference to the lease for
farmland dated	by and between the same parties.

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Optional (check all that apply):	
	Mowing and related maintenance for ditches and field edges in accordance with NRCS standards for nesting season or other critical times for habitat conservation purposes.
	Seeding and other maintenance measures for pollinator habitats and pursuant to NRCS standards or guidelines.
	Implementation of and adherence to Integrated Pest Management Practices in accordance with NRCS standards or guidelines.
	Other:

Г

C. Lessor-Owner agrees:

- 1. That the General Description of the Critical Area in B is sufficient;
- 2. To be responsible for the costs of all fencing and maintenance of fencing needed to protect the Critical Area;
- 3. To notify Lessee-Tenant in writing annually of any intention to visibly observe the Critical Area pursuant to B.3.; and

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4. That the rent for the farmland be reduced for the Critical Area in proportion to its impact on Lessee-Tenant's ability to farm the leased farmland, and for any of the options selected, as follows:

Adjusted Cash Rent or Proportional Reduction in Cash Rent:

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