

**“BECOMING YOUR LANDLORD’S  
FAVORITE TENANT”  
TOMORROW’S TOP PRODUCER  
CHICAGO ILLINOIS- JANUARY 28, 2014**



**WHAT DOES LANDOWNER WANT?**

ISU Rural Life Poll States that over 65% of Landowners do not see income at the main factor in choosing tenants?



What are the other factors?

- Family?
- Friends?
- Honesty?
- Stewardship?
- Other Values or Affiliations?

## HOW DO LANDLORDS CHOOSE TENANTS?

**Table 5.12: Percentage of leased farmland based on the primary reason for choosing the tenant, 2007**

	Cash rent	Crop share	All rented
Help beginning farmer	1%	2%	2%
Family connection	9%	14%	10%
Good farmer	42%	34%	38%
Honesty	18%	30%	20%
Financially stable	11%	3%	11%
Personal acquaintance	6%	8%	7%
Uses no-till and other conservation practices	7%	2%	6%
Easy to work with	3%	4%	4%
No answer	1%	4%	2%

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## WHAT DO TENANTS THINK LANDLORDS WANT?

**Table 12. Landlord Involvement in Farming, Conservation**

	Disagree or Strongly Disagree	Undecided	Agree or Strongly Agree
—Percentage—			
My landlord cares about how my farming practices impact soil and water quality .....	11	15	74
My landlord has established adequate conservation measures on his/her land.....	13	15	72
If conservation practices are needed on the land I rent, it is my responsibility to address the need.....	15	18	67
My landlord is more interested in maintaining soil and water quality than maximizing profits.....	19	35	46
My landlord requires me to minimize impacts on soil and water quality .....	29	25	46
My landlord places land stewardship goals ahead of income goals .....	27	29	44
My landlord participates substantially in conservation decisions.....	38	21	41
If conservation practices are needed on the land I rent, it is my landlord's responsibility to address the need.....	39	22	39
My landlord cares about wildlife habitat on his/her land.....	25	37	38
My landlord is committed to my continuation as a tenant .....	4	18	78
My landlord is more interested in maintaining our relationship than maximizing profits.....	17	25	58
My landlord participates substantially in farming decisions ..	60	13	27

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## HOW TO IMPRESS A LANDLORD

### Be Professional

- Dress
- Physical Appearance
- Talk
- Correspondence

### Be a Top Producer and be able to prove it

- Yield results
- Fertilizer applications
- Chemical Records
- Crop Insurance Data



### Know the Owner's Hot Buttons and Satisfy Them

- Have the ability and willingness to take care of small items
- Be able to take advantage of whole farm (hay, cattle, buildings)
- Make Payments ahead of time
- Offer Rent Adjustments Without Being Asked for Them
- Be Positive

## US FARM LEASE

### CODE OF FARM MANAGEMENT

1. We shall respect the land
2. We shall attain the best operator possible
3. We shall have a comprehensive written lease
4. We shall keep the soil in place
5. We shall maximize production
6. We shall maintain fertility levels
7. We shall keep accurate production records
8. We shall be a good neighbor
9. We shall respect the legacy of the land
10. We shall leave the land better than we found it

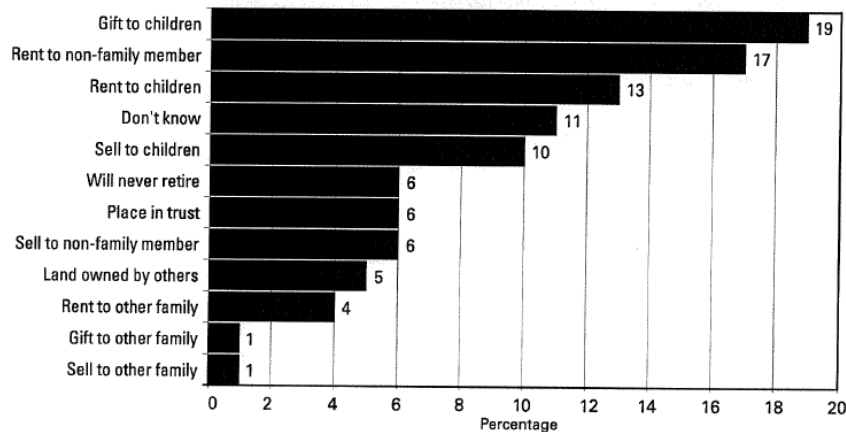
## IDEAS ON HOW TO EXPAND YOUR OPERATION

- Be Professional
- Know your Neighbors
  - Owners
  - Farmers
- Know Who is Farming in your Target area
- Send Out a Newsletter
  - Land Values
  - Local Farm and Town Issues
  - State and Regional Topics
- Partner or Offer to Buy out an Existing Operator
- Offer Flexible Leases or a Premium
- Part or Full Time Job in the Area



## WHO ARE RETIRING FARMERS GOING TO RENT TO?

Figure 3. Plans for farmland on retirement



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## **PROPER FARM MANAGEMENT TOOLS**

- × Owners need:
  - × Yield Records
  - × Crop Insurance
  - × Yield Monitors
  - × Scale Tickets
  - × Consultant's estimates
  - × Fertility Records
  - × Soil Tests every 4 years
  - × Fertilizer and Lime Application Records every year
- × Tenants to fertilize up so soil tests
- × Farm Service Agency/NRCS information
- × Drainage Records

## **WHY A LANDOWNER SHOULD TRY A BEGINNING OR SMALLER OPERATOR?**

1. They can produce as well as the larger operator
2. They may be better stewards especially on non-ideal land
3. The local area benefits more with more residents
4. Ideal for Flex Leases where upfront costs are less.
5. Potential State tax savings for in-state owners

## SUMMARY

Income is important but not always the main goal  
Honesty and Good Farmers are big factors in tenant selection – Good Records, Communication and Reports are Valuable

Beginning or Smaller Operators Can Compete

Tenants have a great responsibility and the land will treat you well if you take care of it.

The world needs good farm operators and their will be a big need in the future



## THANK YOU

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