

**"Folks are trying to negotiate higher rents while tenants are feeling profit margins starting to decrease due to lower commodity prices creating a tug-of-war throughout the crop and livestock land classes."**

JIM JANSEN

# NE Neb. Farmland Values Decrease

BY RITA BRHEL  
P&D Correspondent

After five years of increases, farmland values in northeast Nebraska — along with the rest of the state — have dropped. Not by much, but the decline is telling of the state of the agricultural industry here.

Northeast Nebraska's average farmland value for 2015, as of Feb. 1, was down by 2 percent from the 2014 average of \$6,460, according to preliminary findings from the 2015 Nebraska Farm Real Estate Market Developments Survey by the University of Nebraska at Lincoln, Neb.

Northeast Nebraska's average farmland values remain second-highest in the state.

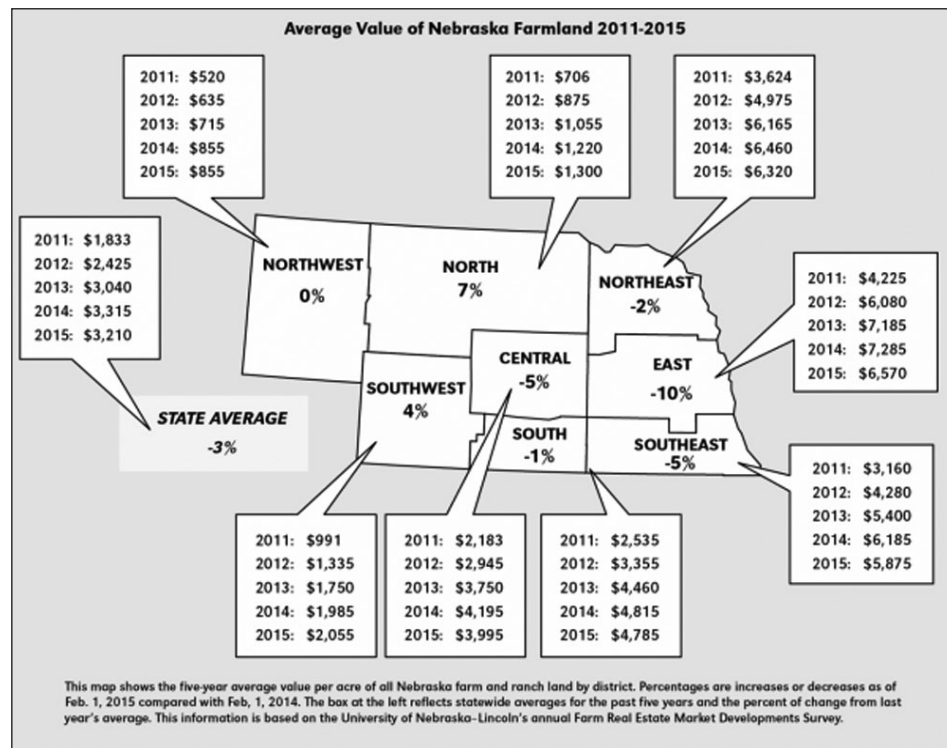
The trend in northeast Nebraska mirrors that of the state average farmland values, which decreased by 3 percent from \$3,416 an acre in 2014 to \$3,210 as of Feb. 1. Overall, average farmland values dropped in six of the state's eight districts.

Farmland values vary from district to district. 2015 per-acre values for each sit at:

- East Central — \$6,570, a 10-percent drop from 2014
- Northeast — \$6,320, a 2-percent drop
- Southeast — \$5,875, a 5-percent drop
- South Central — \$4,785, a 1-percent drop
- Central — \$3,995, a 5-percent drop
- Southwest — \$2,055, a 4-percent increase
- North Central — \$1,300, a 7-percent increase
- Panhandle — \$855, unchanged from last year.

A closer look reveals that farmland values that showed increases were grazing and hayland, while irrigated and dryland cropland were more likely to decrease or else show smaller increases than in previous years.

"Land classes that support the cow-calf industry are improving or holding steady due to a strong return in that market over the last one to two years," said Jim Jansen, survey coauthor as well as beef educator at UNL Extension in Cedar County at Hartington,



GRAPHIC: UNIVERSITY OF NEBRASKA

Nebraska. Final results of the survey will be available in early June at <http://agecon.unl.edu/realestate.html>.

The survey found that cash rental rates for pasture in all regions of the state increased, ranging from 4 percent in North Central Nebraska to 34 percent in Central and Southwest Nebraska. Cow-calf pair rental rates across the state for 2015 average at \$50 per month for the five-month season. Pair rates increased in all Nebraska districts except Central Nebraska, which remained unchanged from 2014, with the largest increase in Southeast Nebraska at 50 percent.

Jansen said that the higher grazing and hayland prices may reflect the \$532.5 million in federal disaster relief that Nebraska livestock producers had received as of Jan. 6 for forage losses from drought in 2012 through 2014.

"These payments lessened the impact of prior losses and may have provided financial incentive to expand cattle herds and add resources to change the size or scope of an operation," he added.

The statewide average

value for hayland increased 20 percent from 2014, the highest of any land-use category. In addition, the state average for non-tillable grazing land increased by 12 percent, and by 7 percent for tillable grazing land.

The state average for gravity-irrigated land decreased by 4 percent, and by 2 percent for center pivot-irrigated land. However, dryland acreage with irrigation potential saw a 10-percent drop in values. Dryland without irrigation potential decreased by 9 percent.

"Irrigated crop ground classes, including center pivot or gravity irrigated, did not decline as quickly in value as the dryland categories," Jansen said. "Their yields, and similarly their revenues, are not as variable as the dryland acres. That's why we're still seeing some pretty strong values there."

Dryland values also reflect expectations of lower grain and oilseed prices, he added.

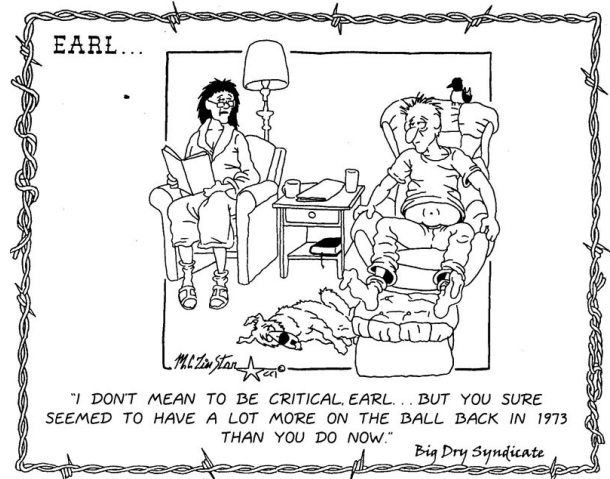
Changes for cash rental rates for cropland were variable, ranging from an increase of 5 percent for dryland in Central Nebraska to a drop of 18 percent for pivot-irrigated

in Southwest Nebraska. Most cropland decreased by 5 to 15 percent.

The survey responses suggested that increasing property taxes, coupled with decreasing commodity prices, are contributing to changes in farmland values.

Jansen suggested that landlords and tenants consider flexible cash leases, in which both parties agree to a base rental rate and an additional amount that flexes around crop yield, price and revenue.

"Folks are trying to negotiate higher rents while tenants are feeling profit margins starting to decrease due to lower commodity prices," he said, "creating a tug-of-war throughout the crop and livestock land classes."



## Farmers See Where Their Soybeans Go After Harvest

SIoux FALLS — On Jan. 26, a group of 17 South Dakota soybean farmers departed on a trip that took them more than 1,000 miles from where they produce soybeans to where they are transported and shipped to end users. Two of these farmers were David and Tim Ostrem from Centerville.

Starting in South Dakota, touching down in Atlanta and ending near the Gulf of Mexico, the 2015 South Dakota Soybean See For Yourself group truly experienced the full journey soybeans take.

With more than half of South Dakota's soybeans exported overseas, export markets are important subjects for South Dakota soybean farmers. The See for Yourself trip allows Ostrem and the other farmers the chance to tour and experience many important aspects that affect their markets, understand the projects their checkoff is investing in and how that impacts their profitability.

The delegation first attended the International Production & Processing Expo (IPPE), then met with the USA Poultry & Egg Export Council (USAPEEC) and Purdue farms in Atlanta.

The poultry industry is a large domestic user of soybean meal, and it was important to connect the poultry groups with the farmers to show what happens to the soybeans after they are dropped off at the elevator. The visit to USAPEEC allowed the delegation to learn about ongoing trade regulations and how their South Dakota Soybean checkoff dollars are being used to open markets. During the IPPE, farmers had the opportunity to explore the world's largest annual poultry, meat and feed

industry event and interact with customers of their soybeans domestically and internationally. Purdue Farms was a great opportunity to showcase how much soybean meal is used in the poultry industry.

As the trip connected the dots from the field to the customer, the group traveled to New Orleans to tour the Port of New Orleans and CHS Myrtle Grove. The Port of New Orleans is the nation's sixth largest port, facilitating more than 5,000 ocean-going vessels and handling about 62 million short tons of cargo a year, including grain in bulk containers. During the tour at CHS Myrtle Grove, the group had the chance to see soybean meal unloaded from a barge headed to Costa Rica. They were also able to see behind the scenes and learn about the USDA standards that are required when shipping commodities. CHS refines more than 1.3 billion pounds of soybean oil annually and processes nearly 120 million bushels of soybeans annually.

Ostrem personally enjoyed learning about the overseas markets. He said, "Our check-off dollars give us an immense value by opening up and protecting overseas markets. This trip helped me see the value in the checkoff and support for the international markets."

In June 2015, another group of South Dakota soybean farmers will have the opportunity to participate in a See For Yourself tour to the Pacific Northwest. 60 percent of the state's soybeans are exported to countries around the world.

If interested in participating in this See For Yourself program, visit [sdsoybean.org](http://sdsoybean.org) during the month of May to apply.

The Public Is Invited To A Reception Honoring  
Yankton's 2014 Citizen Of The Year

# Ben Hanten



1:30 p.m. Saturday, March 28

Yankton Elks Lodge

A Special Program Begins At 2 p.m.

\* \* \*

This Special Event Brought To You By  
A Coalition Of Civic Organizations And The

PRESS&DAKOTAN

## USDA Offers Renewal Option For Expiring CSP Contracts

WASHINGTON — Natural Resources Conservation Service Chief Jason Weller today announced that the U.S. Department of Agriculture is offering a renewal option through Tuesday, March 31, for eligible agricultural producers and forest landowners with expiring Conservation Stewardship Program (CSP) contracts. These producers must be willing to adopt additional conservation activities aimed at helping them achieve higher levels of conservation on their farms, forests and ranches.

USDA will also extend the deadline for general sign-up CSP applications until Friday, March 13, 2015 providing farmers, ranchers, and private forest managers two additional weeks to apply for this funding round of \$100 million.

"CSP producers are established conservation leaders who work hard at enhancing natural resources on private lands," Weller said. "This contract renewal period will provide greater opportunities for these conservation stewards to voluntarily do even more to improve water, air and soil quality and enhance wildlife habitat on their operations. By extending the deadline for general sign-up applications, we are ensuring that landowners will be able to take advantage of a program that will enroll up to 7.7 million acres this year."

Changes in the 2014 Farm Bill will allow CSP participants with expiring contracts to renew them by exceeding stewardship thresholds for two or more existing natural resource concerns specified by the Natural Resources Conservation Service (NRCS) or by meeting stewardship thresholds for at least two

new natural resource concerns such as improving water quality or soil health. NRCS administers CSP.

About 9,300 contracts covering more than 12.2 million acres are nearing the end of their five-year term and can be renewed for an additional five years. The agricultural producer or forest landowner must complete all conservation activities contained in the initial contract before a renewal can be granted.

The renewal process is optional but benefits CSP participants with expiring contracts because it is non-competitive. In order to renew, an agricultural producer or forest landowner must meet the minimum criteria established by NRCS. Contract renewal also offers these agricultural producers and forest landowners an opportunity to add new conservation activities to meet their conservation goals and protect the natural resources on their farms, forests or ranches. The 2014 Farm Bill includes an expanded conservation activity list that offers producers more options to address natural resource challenges. New conservation activities include cover crops, intensive rotational grazing and wildlife-friendly fencing.

USDA's largest conservation program by acreage, CSP pays participants for conservation performance — the better the performance, the higher the payment. Nearly 70 million acres have been enrolled in the program since its launch in 2009.

Along with the renewal option announced today, USDA announced last month that it will make available \$100 million this year through the CSP in 2015. Although CSP applications are accepted all year,

farmers, ranchers and forest landowners should submit applications by the funding deadline, extended to Friday, March 13, to ensure they are considered for this year's funding. Applications should be submitted to local NRCS offices, and as part of the CSP application process, applicants will work with NRCS field personnel to complete a resource inventory of their land, which will help determine the conservation performance for existing and new conservation activities. The applicant's conservation performance will be used to determine eligibility, ranking and payments.

USDA offers financial and technical assistance to agricultural producers or forest landowners for the active management and maintenance of existing conservation activities and for carrying out new conservation activities on working agricultural land. Eligible lands include cropland, grassland, prairie land, improved pastureland, range-land, non-industrial private forestland and tribal agricultural land. Applicants must have control of the land for the five-year term of the contract.

Agricultural producers or forest landowners with existing contracts scheduled to expire this calendar year and who wish to renew for an additional five-year term must submit an application indicating their intent to renew to their local NRCS office prior to the national application deadline of March 31, 2015.

To learn more about CSP contract renewals, visit your local NRCS office. Visit the Conservation Stewardship Program page for more information about this program.