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## Conservation practices for landlords

by Michael D. Duffy, ISU Extension and Outreach economist, 515-294-6160, [mduffy@iastate.edu](mailto:mduffy@iastate.edu)

There is growing concern over the possible impacts of the increase in rented farmland on soil conservation. Concerns regarding conservation practices are not new; however, concerns have risen recently for several reasons. More than half of Iowa's farmland is rented and operated by someone other than the owner. In addition, landowners are aging and, therefore, are less likely to be actively engaged in farming. The general assumption is that if farmers do not own the land they farm, they are less likely to have an incentive to use conservation practices to maintain their resources.

Many landlords want to use conservation practices on their land but are unaware of their options and how to implement the various practices. This article explores the different operational and permanent conservation practices that can be implemented.

Most conservation practices are intended to decrease soil erosion. Erosion is the wearing away of soil and rock, and removal of topsoil. Sheet and rill erosion occur on sloping land with little ground cover. Sheet erosion happens when water removes even layers of top soil. Rill erosion occurs when water makes channels up to 30 cm deep. Gully erosion happens when rainwater makes a deep channel that washes away soil. The soil can wash into nearby creeks and streams, disrupting the quality and flow of water. Wind can pick up and remove topsoil if it is in a dry area that is not secured by plants or has been overgrazed.

Loss of topsoil due to any of these conditions has both short- and long-term effects. Topsoil is the most fertile part of the land holding the most nutrients for growing crops, and it takes up to a thousand years to develop one inch of new topsoil. This publication describes some of the many conservation practices that can be implemented by a landlord to protect and conserve these valuable soil assets.

Soil erosion is not the only critical issue when it comes to protecting and conserving land. Water quality protection, wildlife habitat preservation, recreational development/maintenance and nutrient and pest management are other factors that play a role in conserving land.

### Conservation practices

Conservation practices can be divided into two main categories: operational and permanent. Some conservation practices may fall under both categories depending on the circumstance.

#### Operational Conservation Practices

An operational conservation practice is a short-run practice that can be implemented on a year-by-year basis. The practice can be used one year and not the next. Examples of operational conservation practices include:

- Contour Buffer Strips
- Contour Farming
- Cover Crops
- Crop Rotation
- Managed Grazing (Rotational Grazing)
- Nutrient Management
- Integrated Pest Management (IPM)
- Residue Management: Mulch Till
- Residue Management: No-Till

#### Permanent Conservation Practices

A permanent conservation practice is a long-term practice that will remain in place until it is removed or altered. Examples of permanent conservation practices include:

- Diversion
- Field Borders
- Grade Stabilization Structure
- Grassed Waterways
- Riparian Buffer Strips
- Stream Bank and Shoreline Stabilization
- Terraces
- Water and Sediment Control Basin
- Windbreak

*Conservation practices for landlords, continued from page 4*

More details on these conservation practices, including definitions and examples of costs associated with each practice, can be found in *AgDM File A1-41, Conservation Practices for Landlords*.

When evaluating what conservation practice to implement, there are many factors and questions to be considered. Is a single practice or a group of practices the best choice? What are the costs of the conservation practices and do they fit the farm budget? The most important question is why you want to implement a practice. What is your goal?

### **Setting conservation goals**

Open communication between the landlord and tenant is vital to implement any of the conservation practices described here.

The landlord and tenant may have different motivations to engage in conservation practices. Landlords want to protect their assets, while the tenants might have greater current income as their most important consideration. Both parties will have different views, but it is important to come to a consensus on some conservation goals. Do you want to prevent rill or sheet erosion? Do you want to provide more or better habitat for wildlife? Do you want to protect nearby waterways? Be specific with your conservation goals.

### **Choosing conservation practices**

After setting common goals, begin planning and deciding what conservation practices will achieve those goals. Use this article as a tool to help you think about different options for conservation practices that can improve your rented land.

### **Cost division of conservation practices**

A first step in planning for conservation practices is deciding who will bear the costs. Often the conservation practices benefit the landlord, but in certain cases the tenant also will benefit due to factors such as improved yields, easier farming conditions and less potential for water damage.

Not all conservation practice costs and benefits are associated solely with the landlord and tenant. The costs of environmental degradation, such as erosion, are borne by society in general. Costs for

cleaning waterways, increased turbidity in the water and nutrient contamination are directly associated with soil erosion, but neither the tenant nor the landlord bears these costs.

The second step in planning for conservation practice implementation is to determine if there are any cost share funds available for the practice. For some practices, a considerable portion of the fixed costs can be paid with cost share funds. The amount of funding depends upon the practice. Also, the amount of funds available varies by county.

After the final costs have been estimated, it must be determined how the costs will be divided between the tenant and the landlord. This is often where the most difficulty arises. Should the tenant or the landlord pay for the costs of conservation practices? What if the costs were divided and the lease is terminated? What is a reasonable time to prorate the tenant's costs? How much will the tenant be reimbursed for employing the practice? These and many similar questions need to be addressed and spelled out in the lease.

Economic theory would suggest that whoever bears the cost should receive the benefit. However, this logic does not necessarily apply to cost division of conservation practices. The tenant and the landlord must communicate about their joint goals and the outcome of the practices.

USDA Natural Resources and Conservation Service (NRCS) personnel have information about specific conservation practices and can help develop a conservation plan for the farm. Information about general lease provisions affecting what conservation practices you use can be found in *AgDM File C2-01, Improving your Farm Lease Contract*. Sources of additional conservation practice information for landlords include the Iowa Department of Agriculture and Land Stewardship, Iowa Department of Natural Resources, the Natural Heritage Foundation, the Drake Agricultural Law Center and American Farmland Trust.

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### Internet Updates

The following information files have been updated on [www.extension.iastate.edu/agdm](http://www.extension.iastate.edu/agdm).

Conservation Practices for Landlords – A1-41 (10 pages)

Farm Employee Management: Get the Right Start in Hiring Employees – C1-70 (2 pages)

Farm Employee Management: The Job Interview, and What Questions Can I Ask? – C1-71 (3 pages)

Twelve Steps to Cash Flow Budgeting – C3-15 (8 pages)

Your Net Worth Statement – C3-20 (8 pages)

Your Farm Income Statement – C3-25 (8 pages)

Financial Performance Measures for Iowa Farms – C3-55 (8 pages)

Cash Flow Budget – C3-15 (Decision Tool)

Financial Performance Measures – C3-55 (Decision Tool)

Complete Financial Statements – C3-20-25-55 (Decision Tool)

### 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

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