

Current Trends in Nebraska Land Values, Cash Rents & Lease Considerations for 2025

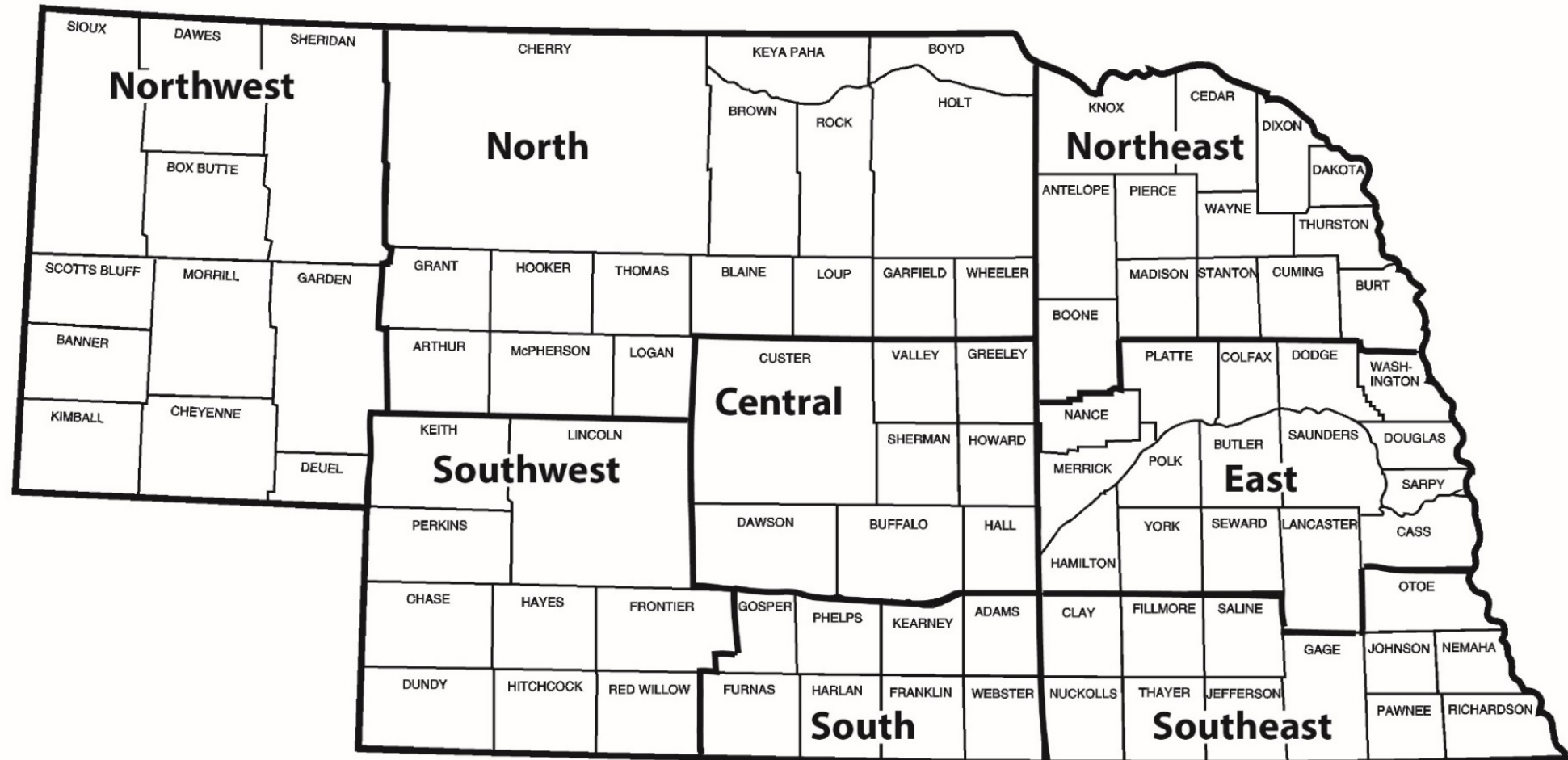
Jim Jansen
Agricultural Economist
jjansen4@unl.edu
402-261-7572



Nebraska Farm Real Estate Survey

- Annual survey conducted since 1978 of Nebraska agricultural appraisers, professional farm managers, and bankers engaged in the land industry.
 - Preliminary results for land values and rental rates published in mid-March.
 - Full report published in June.
- Nebraska Farm Real Estate website full access to these resources:
<http://cap.unl.edu/realestate>

Nebraska Agricultural Statistics Districts

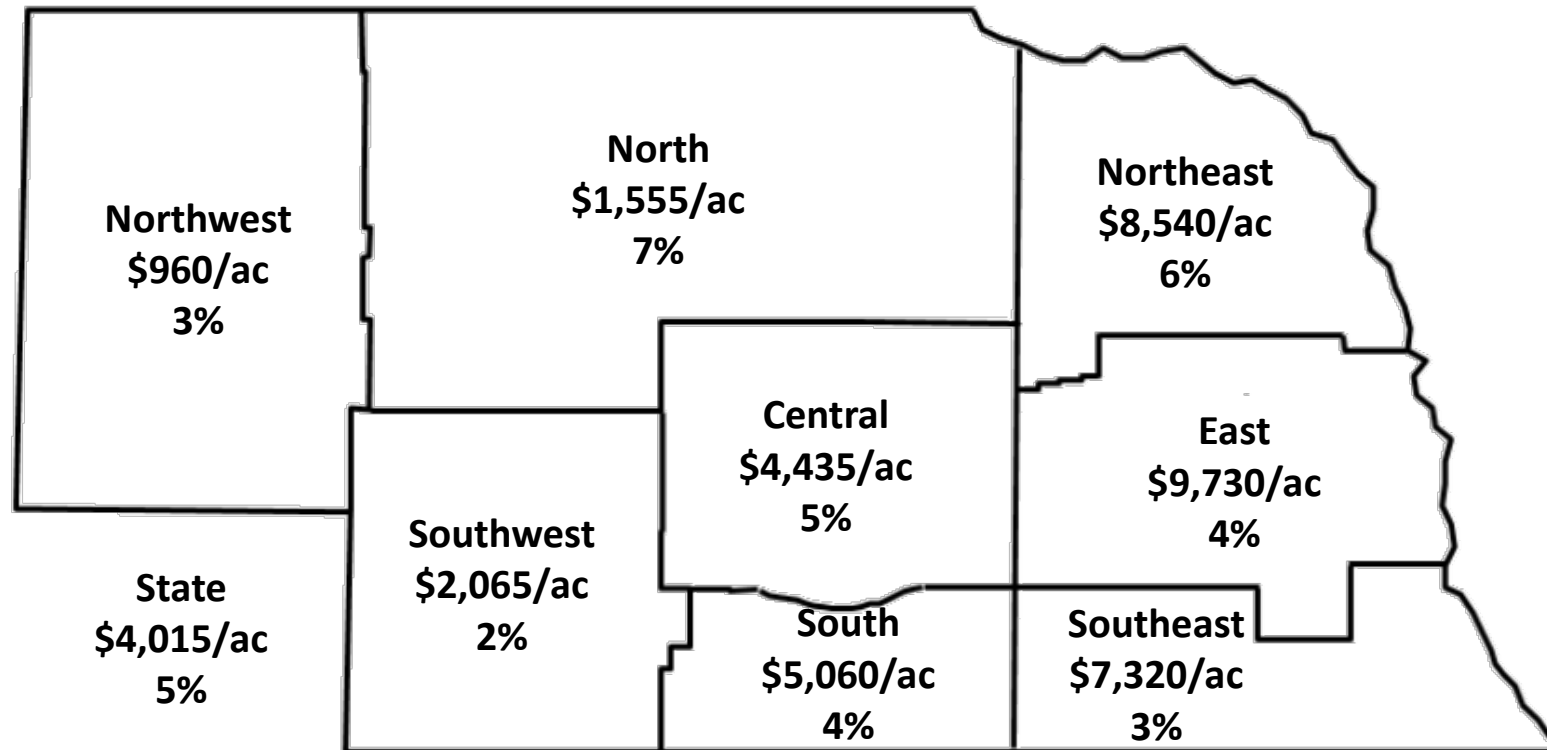


Nebraska Land Values

Land Averages and Annual Percent Changes

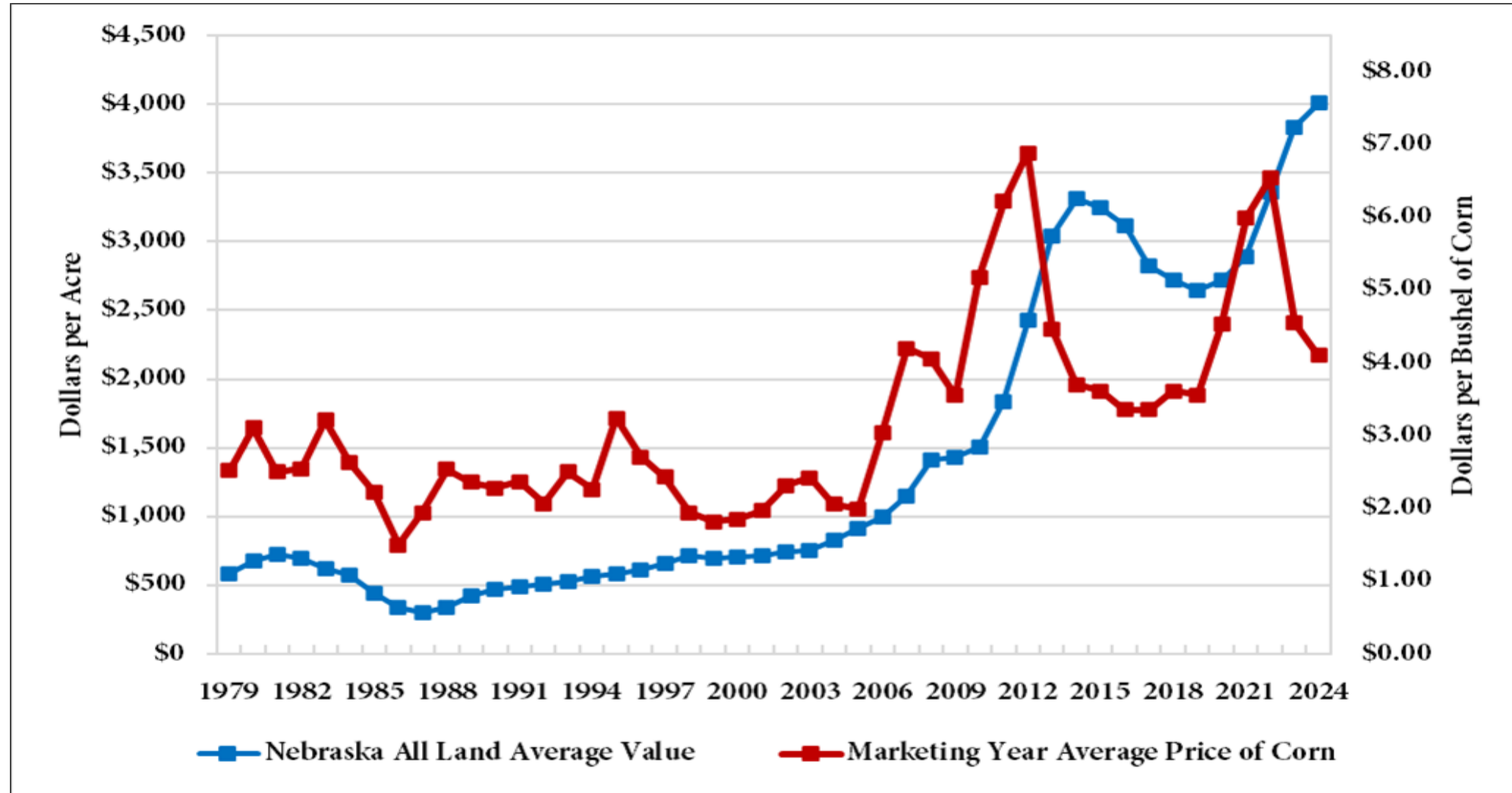


Nebraska Agricultural Average All Land Value – Feb. 1, 2024

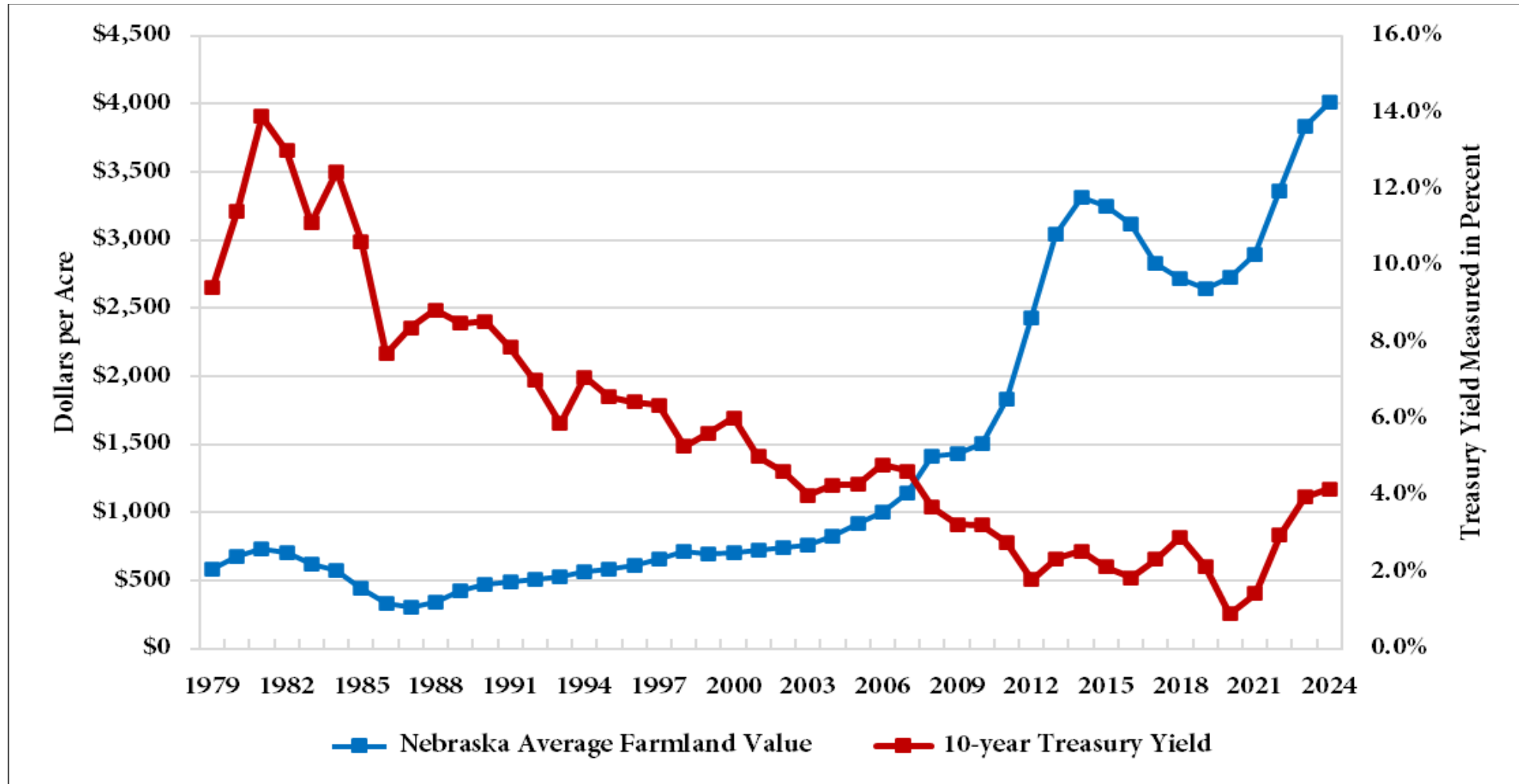


Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.

Nebraska Average Land Value and Corn Price, 1979-2024



Nebraska Avg. Land Value & 10-year Treasury Bond Rate, 1979-2024



K-12 Property Tax Credit (PTC) Timing Changes

Source: Nebraska Examiner – September 8, 2024

- **Before, in LB 1107 (2020)**
- December 2019 assessed taxes paid in 2020, with income tax credits available in 2021.
- December 2020 assessed taxes paid in 2021, with income tax credits available in 2022.
- December 2021 assessed taxes paid in 2022, with income tax credits available in 2023.
- December 2022 assessed taxes paid in 2023, with income tax credits available in 2024.
- December 2023 assessed taxes paid in 2024, with income tax credits available in 2025. **(LB 34 changes are outlined in the next slide)**

Source: Text excerpt from <https://nebraskaexaminer.com/2024/09/08/a-missing-year-no-income-tax-credits-for-nebraskans-to-offset-school-property-taxes-paid-in-2024/>



K-12 Property Tax Credit (PTC) Timing Changes

Source: Nebraska Examiner – September 8, 2024

- **After, in LB 34 (2024)**
- December 2023 assessed taxes, with no tax credits available (unless the taxes were paid by Dec. 31, 2023).
- December 2024 assessed taxes, with discount automatically applied upon payment, typically in 2025.
- December 2025 assessed taxes, with discount automatically applied upon payment, typically in 2026.

Source: Text excerpt from <https://nebraskaexaminer.com/2024/09/08/a-missing-year-no-income-tax-credits-for-nebraskans-to-offset-school-property-taxes-paid-in-2024/>

Community college tax credit must still be claimed by Nebraska taxpayers

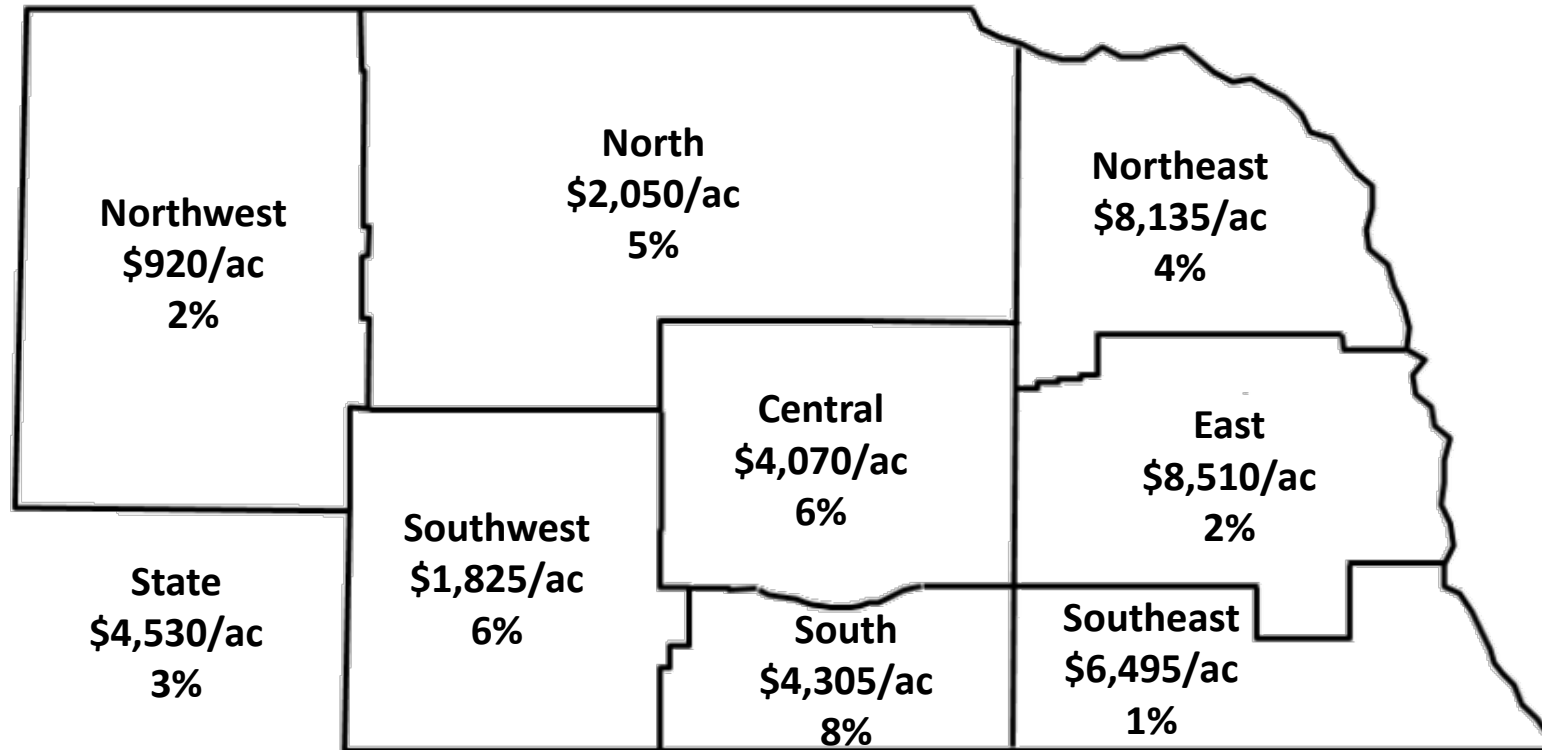
Source: Lincoln Journal Star – September 3, 2024

- Because the community college tax credit was left out of the front-loading, property owners will need to continue filling out the Form PTC — property tax credit — which has previously been used for both **K-12** and **community college** tax credits.
- "If you want the community college PTC, you will need to file that document," said Patrick Roy, a legislative media coordinator for the Nebraska Department of Revenue.
- All community college property taxes paid after Dec. 31, 2021, qualify for the credit, according to the revenue department. Community colleges generally make up about 5-6 % of a property owner's tax bill.

Source: Text excerpt from https://journalstar.com/news/state-regional/community-college-tax-credit-must-still-be-claimed-by-nebraska-taxpayers/article_d520770c-66f7-11ef-830c-63868db9c77d.html



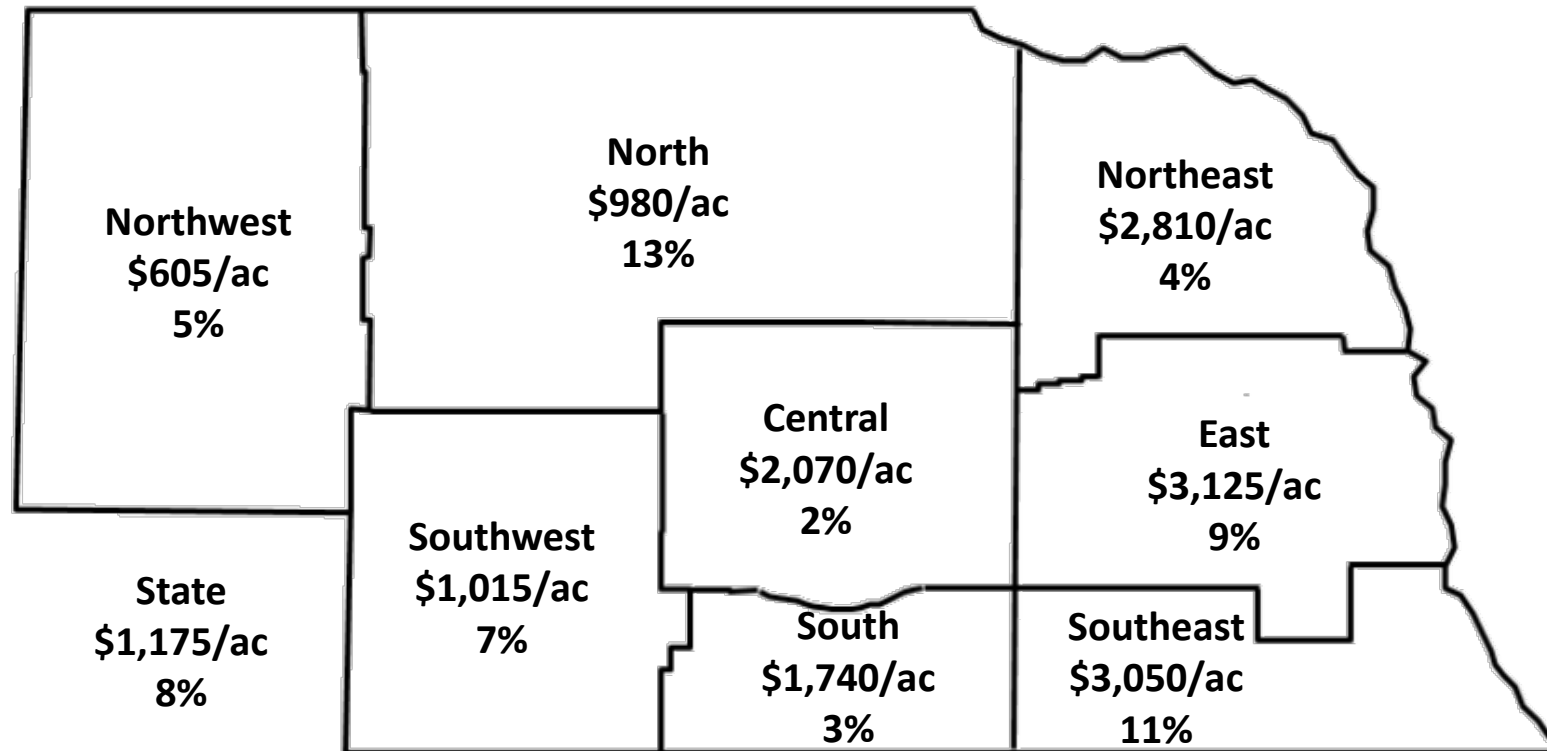
Dryland Cropland (No Irrigation Potential) Average Value – Feb. 1, 2024



Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.

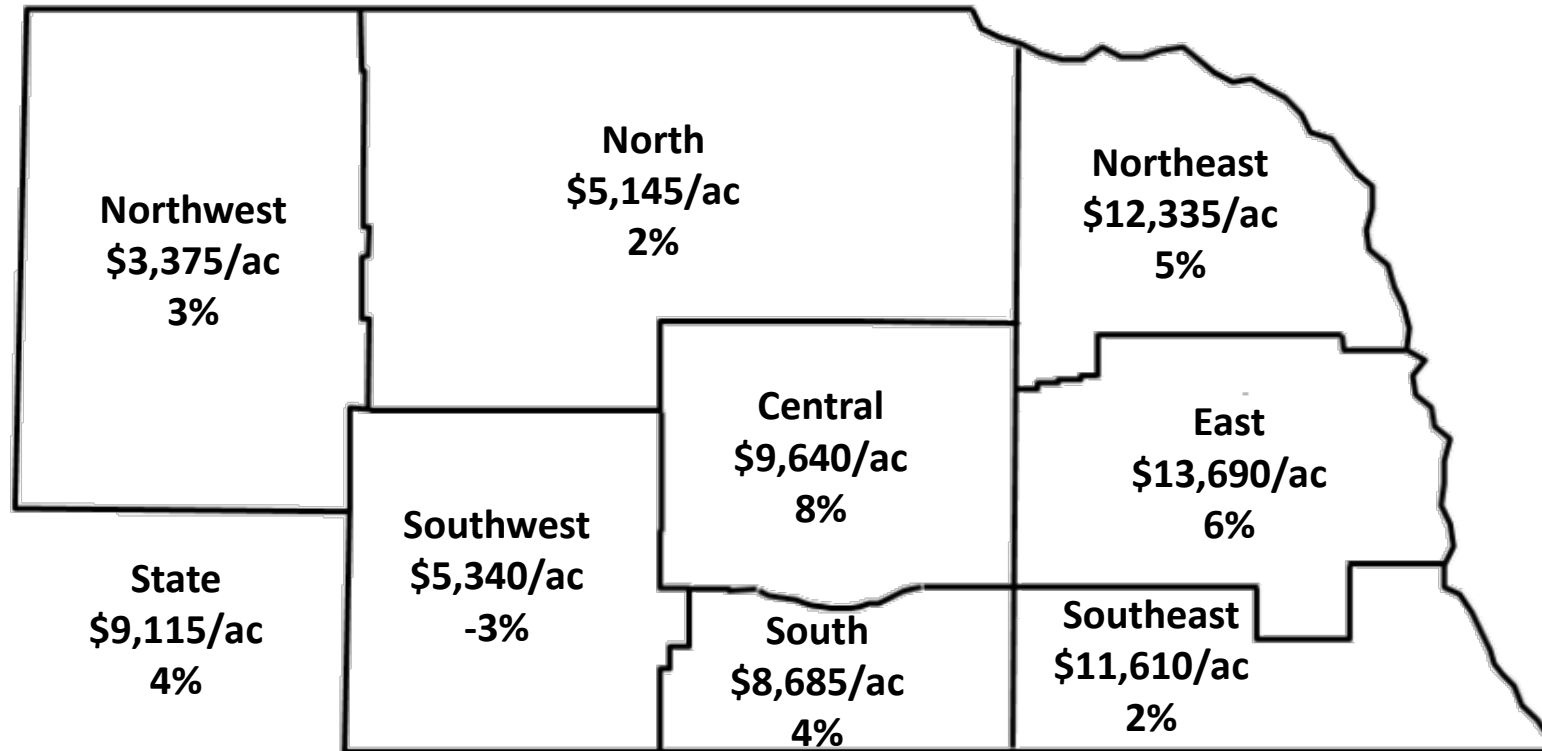
Grazing Land (Nontillable)

Average Value – Feb. 1, 2023



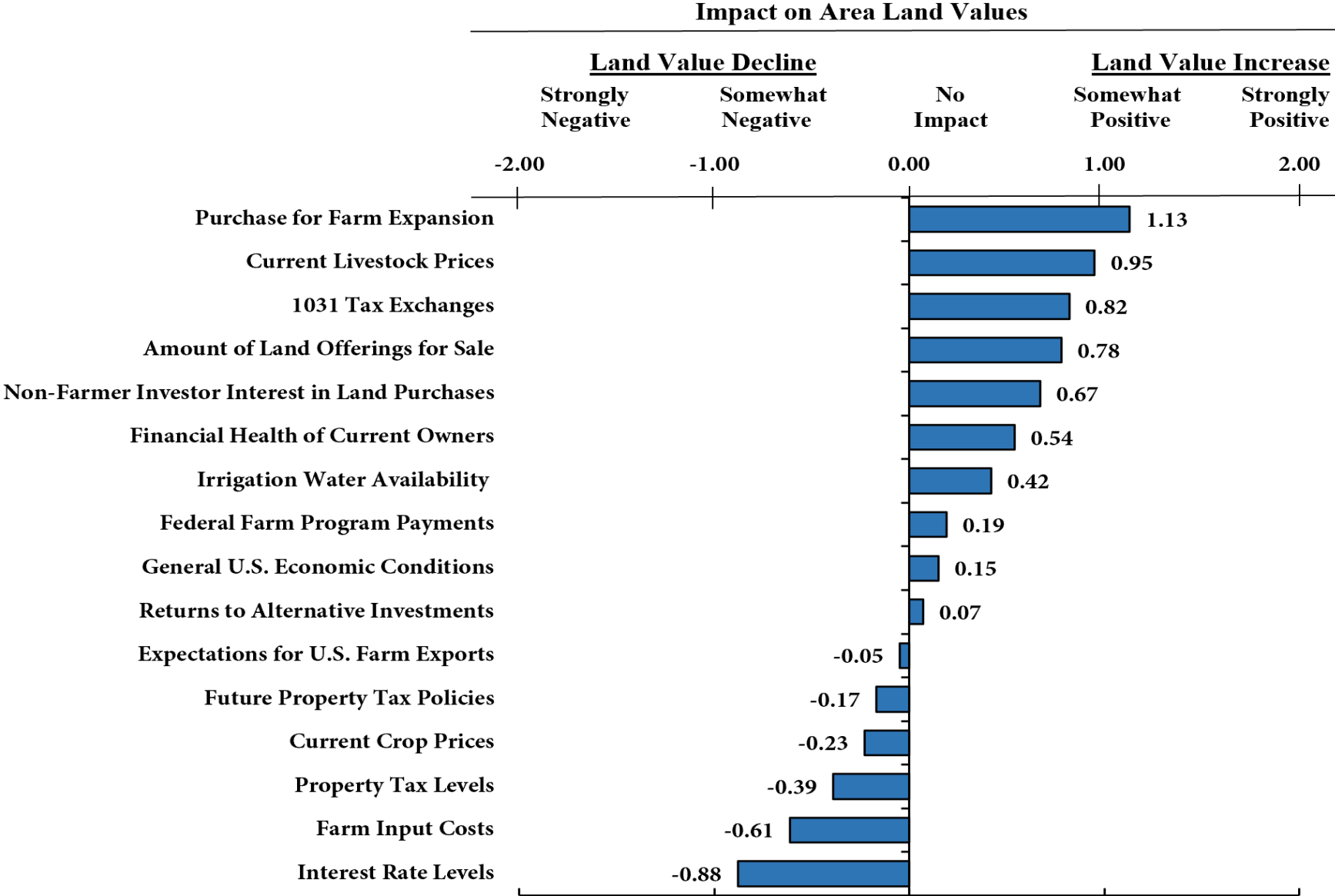
Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.

Center Pivot Irrigated Cropland Average Value – Feb. 1, 2024



Source: UNL Nebraska Farm Real Estate Market Surveys, 2023 and 2024.

Rating of Factors Influencing Agricultural Land Values in 2024

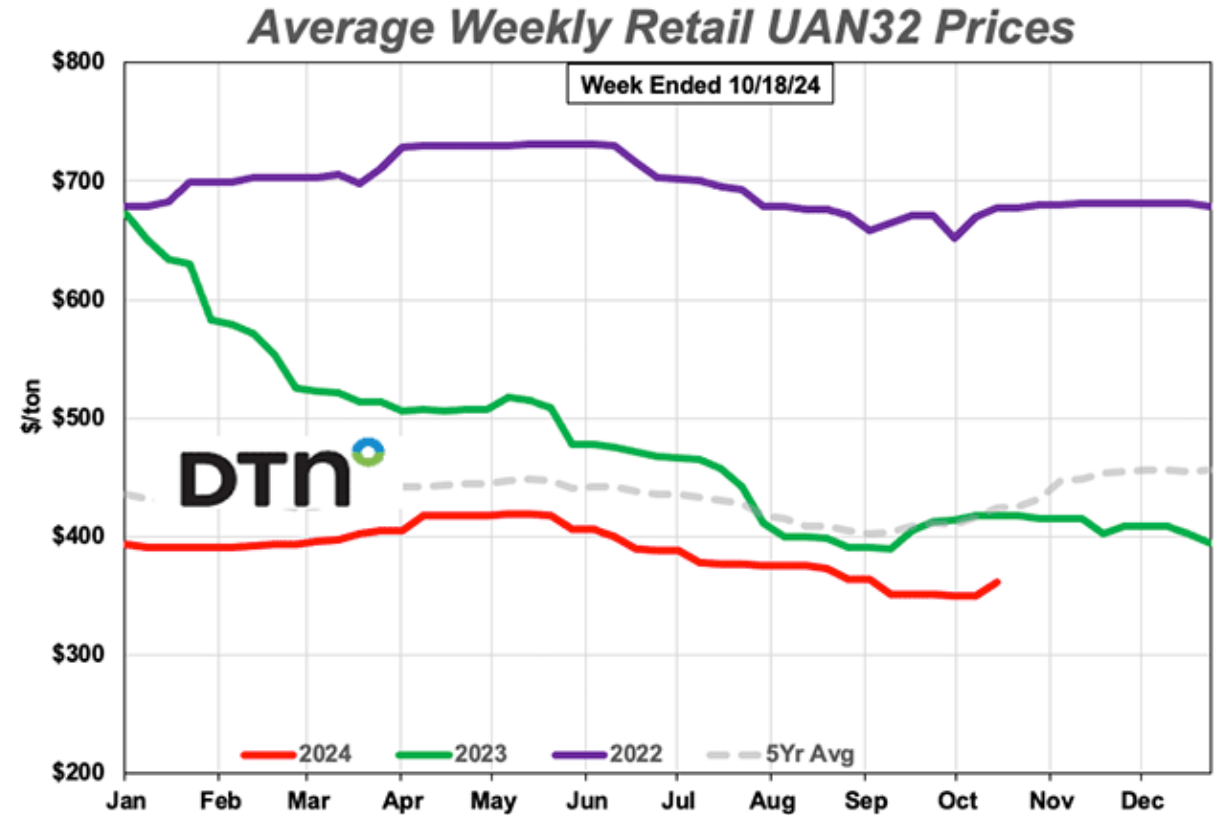
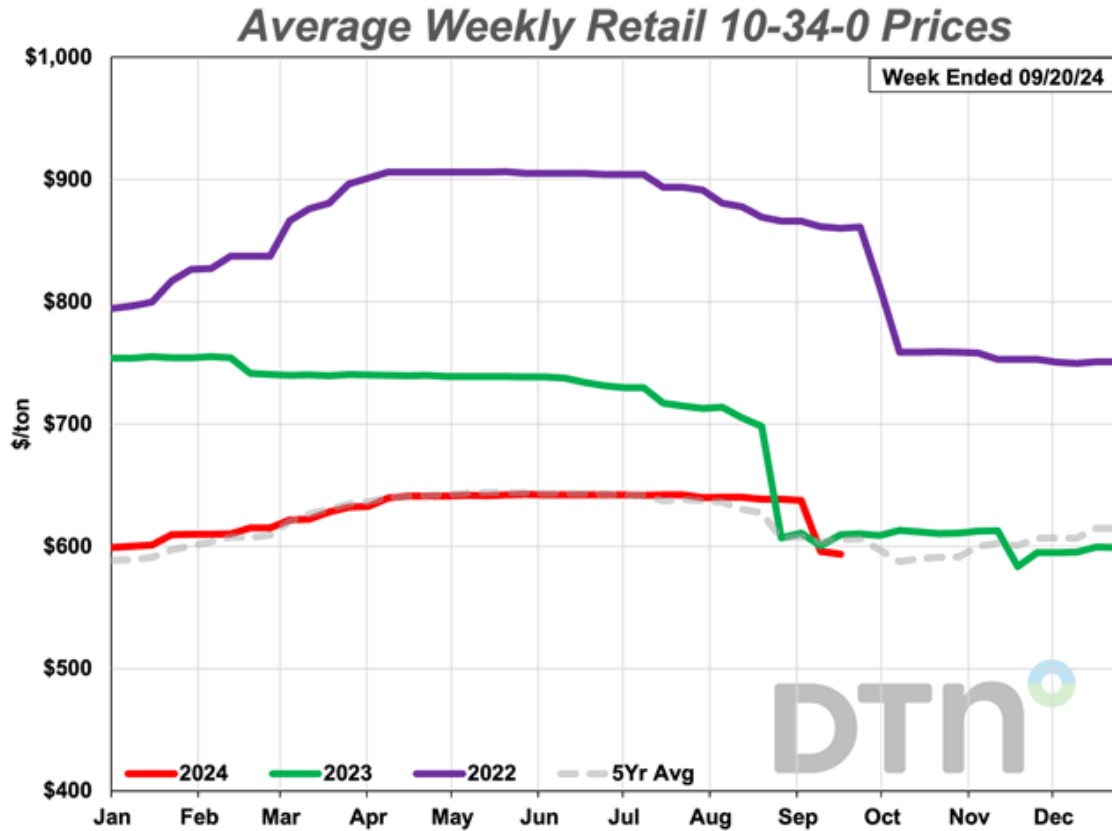


Source: Nebraska Farm Real Estate Market Development Survey, 2024.

DTN Retail Fertilizer Trends

Source: DTN: <https://www.dtnpf.com/agriculture/web/ag/crops/article/2024/09/27/potash-10-34-0-uan32-lead-major>

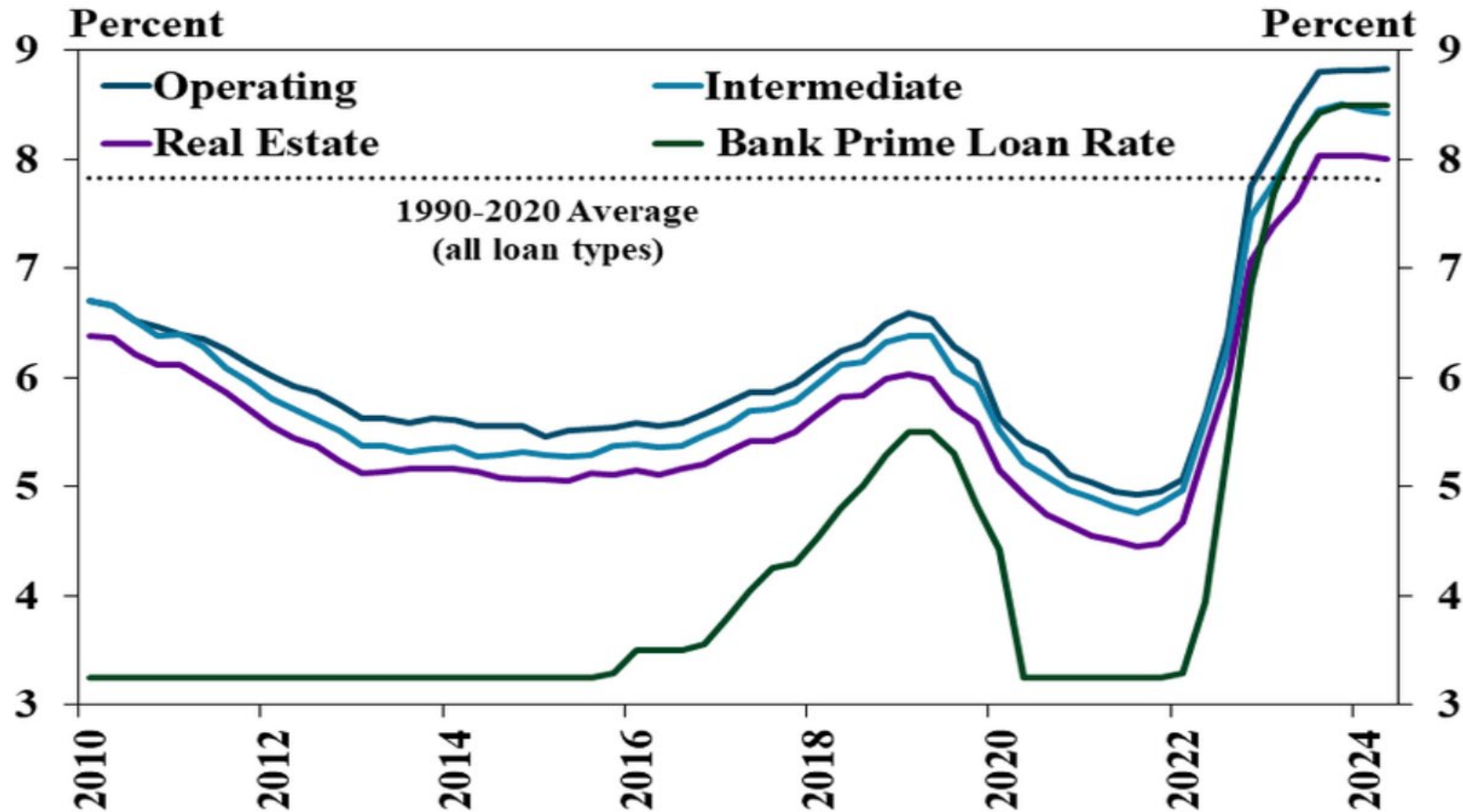
DTN: <https://www.dtnpf.com/agriculture/web/ag/crops/article/2024/10/23/half-major-retail-fertilizer-prices>



Source: Russ Quinn-DTN, September 9, 2024 & Todd Neeley-DTN, October 23, 2024.

KC Fed Tenth District Average Interest Rates

Article: KC FED: <https://www.kansascityfed.org/agriculture/ag-credit-survey/early-signs-of-financial-pressure/>



Source: Kansas City Federal Reserve, August 12, 2024.

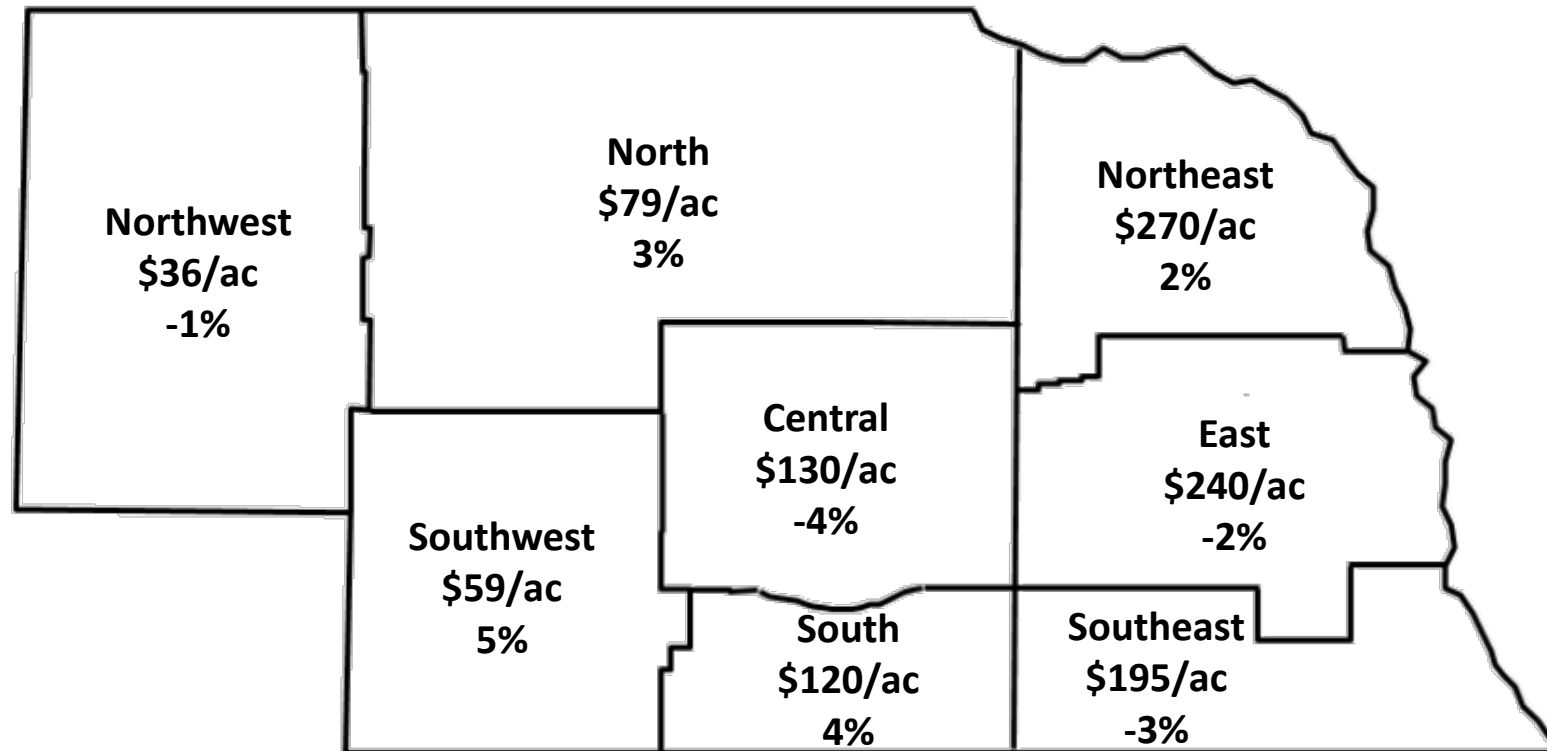
Nebraska Cash Rental Rates

Dryland Cropland

Rental Rates

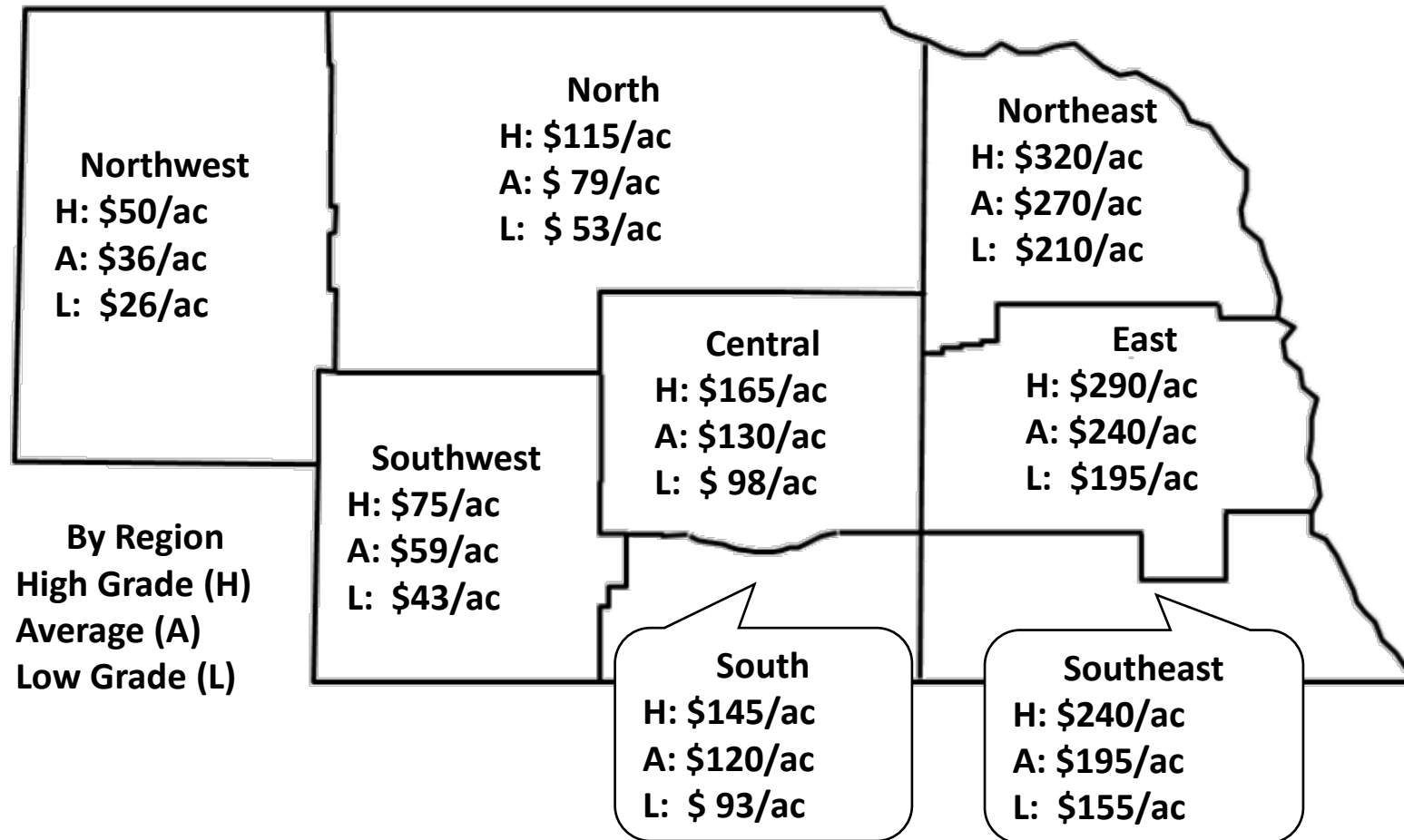


Dryland Cropland Average Rental Rates – 2024 Season



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Dryland Cropland Rental Rate Ranges – 2024 Season



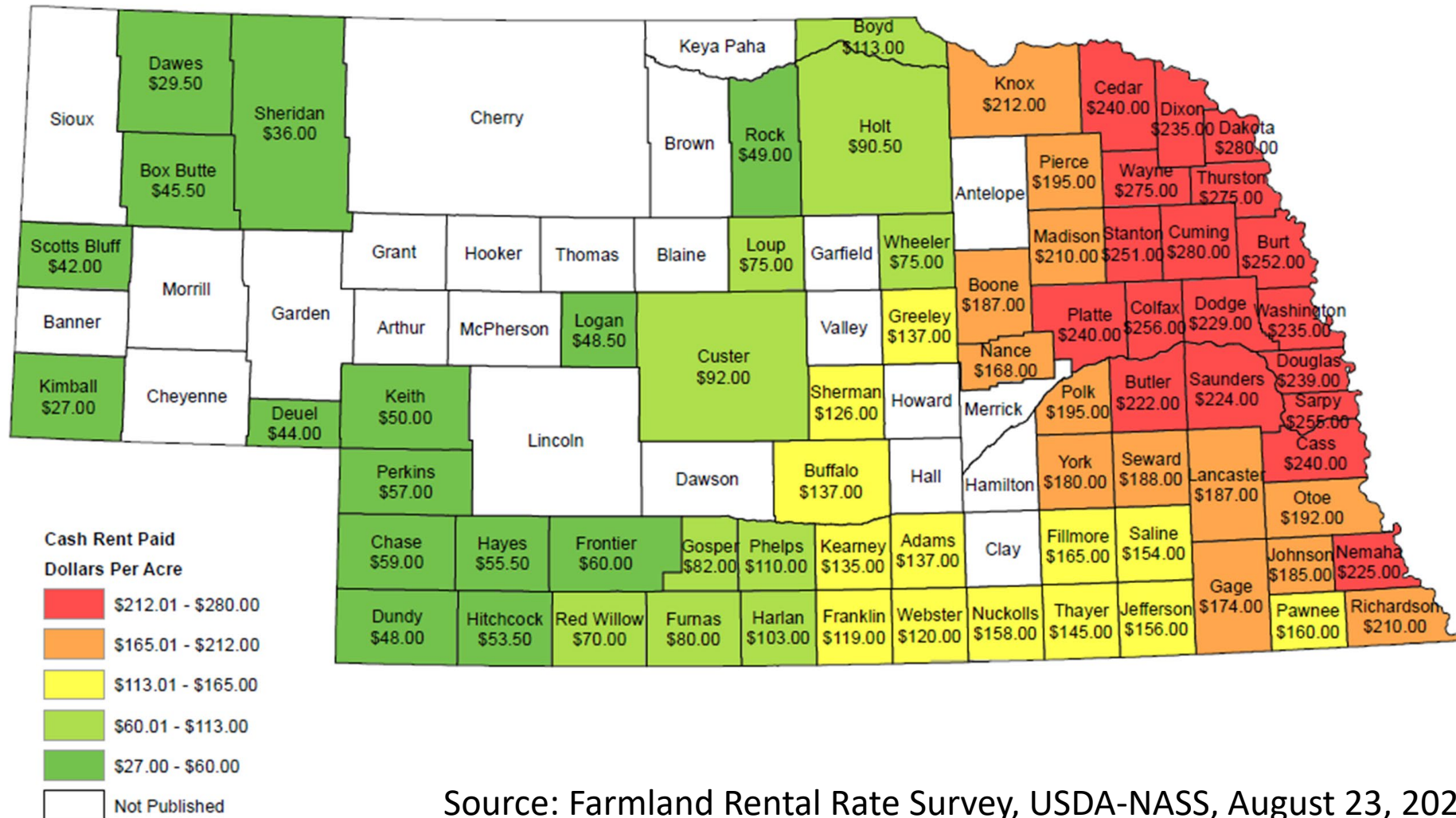
Source: Nebraska Farm Real Estate Market Development Survey, 2024.

USDA-National Agricultural Statistics Service Cash Rent Survey

- Biennial survey conducted by the USDA-National Agricultural Statistics Service (NASS) of farmers and ranchers
 - Survey starts in late-winter and conducted through mid-summer of odd-numbered years (some even-number years as well)
 - Analysis published around the second week of September
- Nebraska county estimates in addition to other resources may be found at:
www.nass.usda.gov/Statistics_by_State/Nebraska/Publications/County_Estimates/



Dryland Cropland Rental Rates – 2024 Season



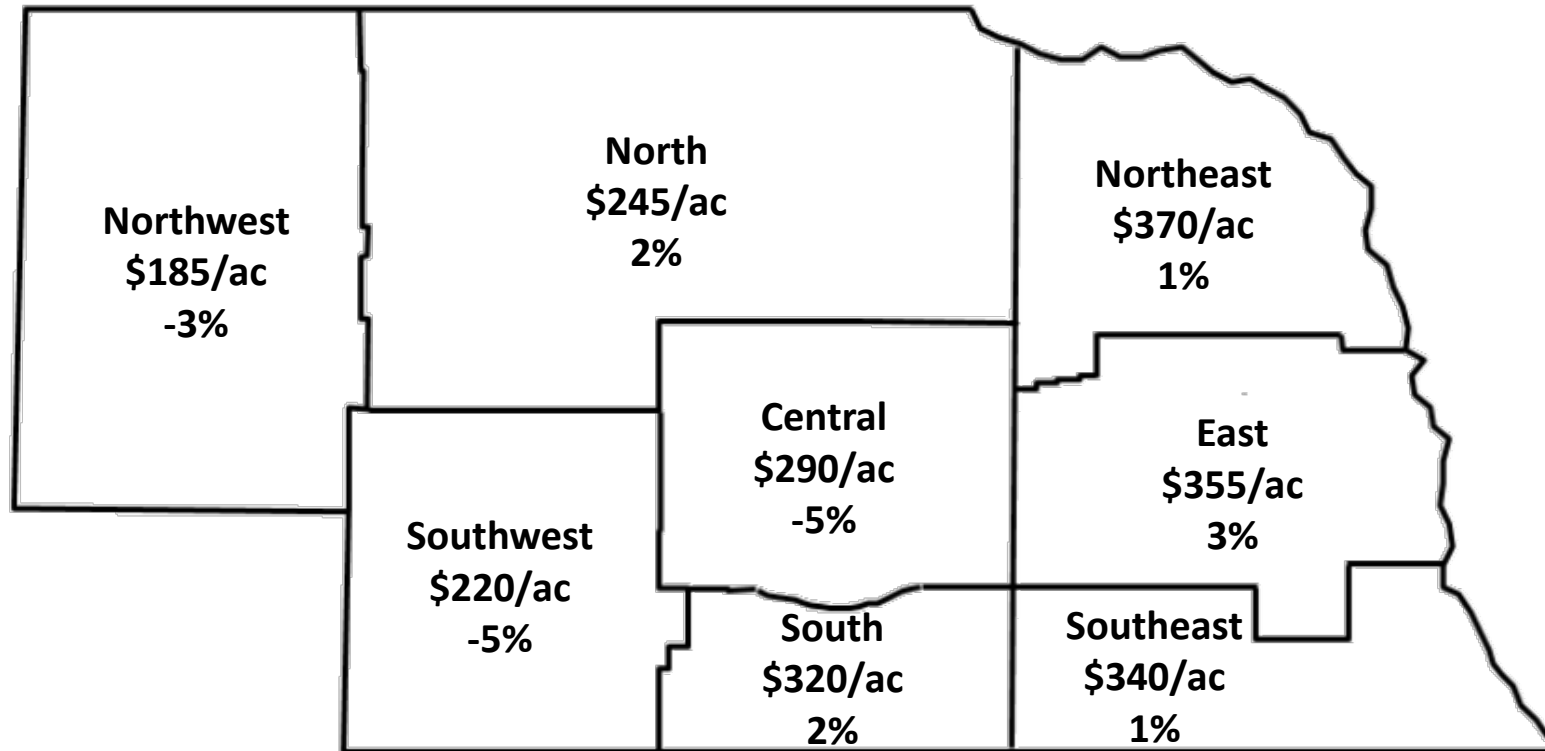
Source: Farmland Rental Rate Survey, USDA-NASS, August 23, 2024

Nebraska Cash Rental Rates

Irrigated Cropland
Rental Rates

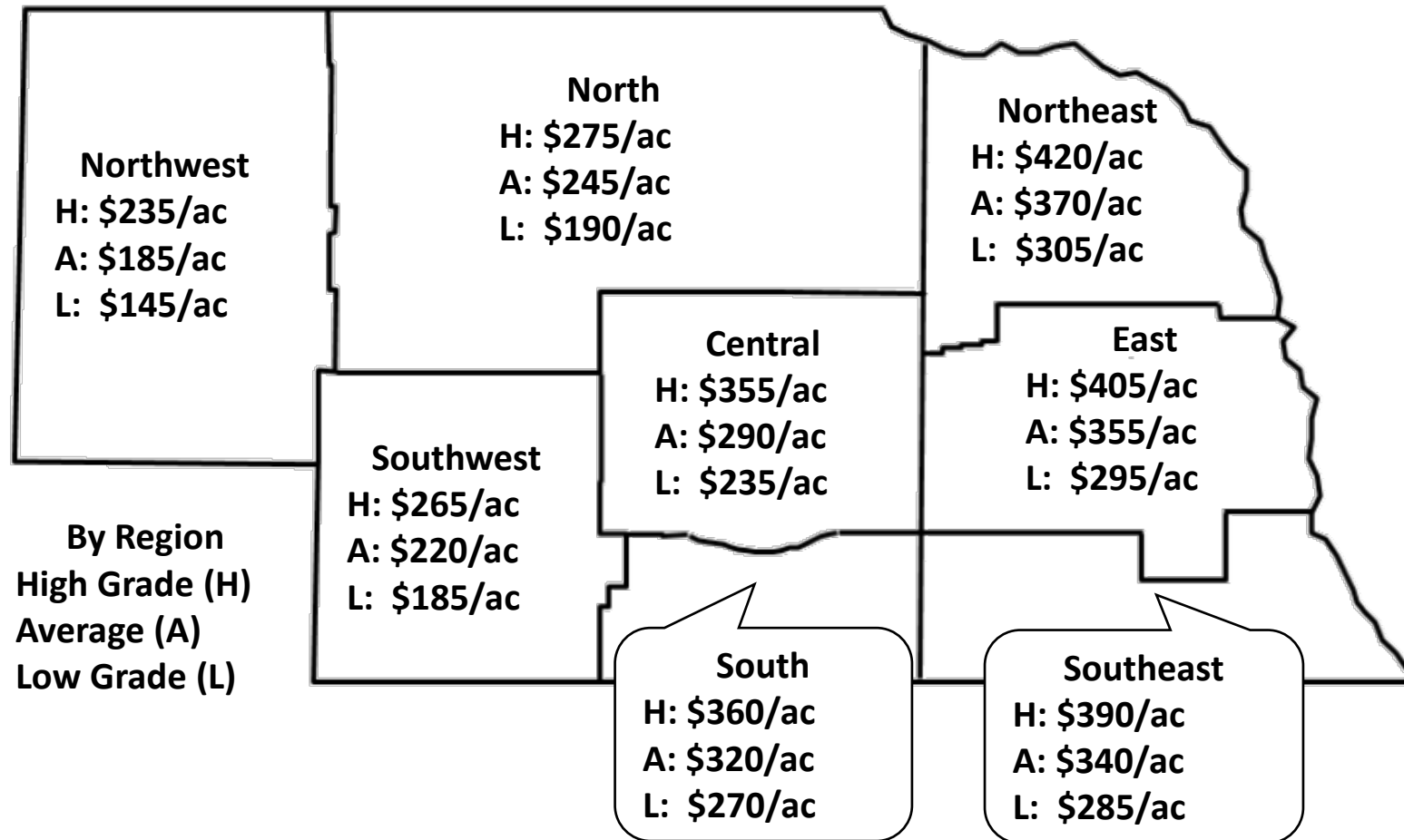


Center Pivot Irrigated Cropland Average Rental Rates – 2024 Season



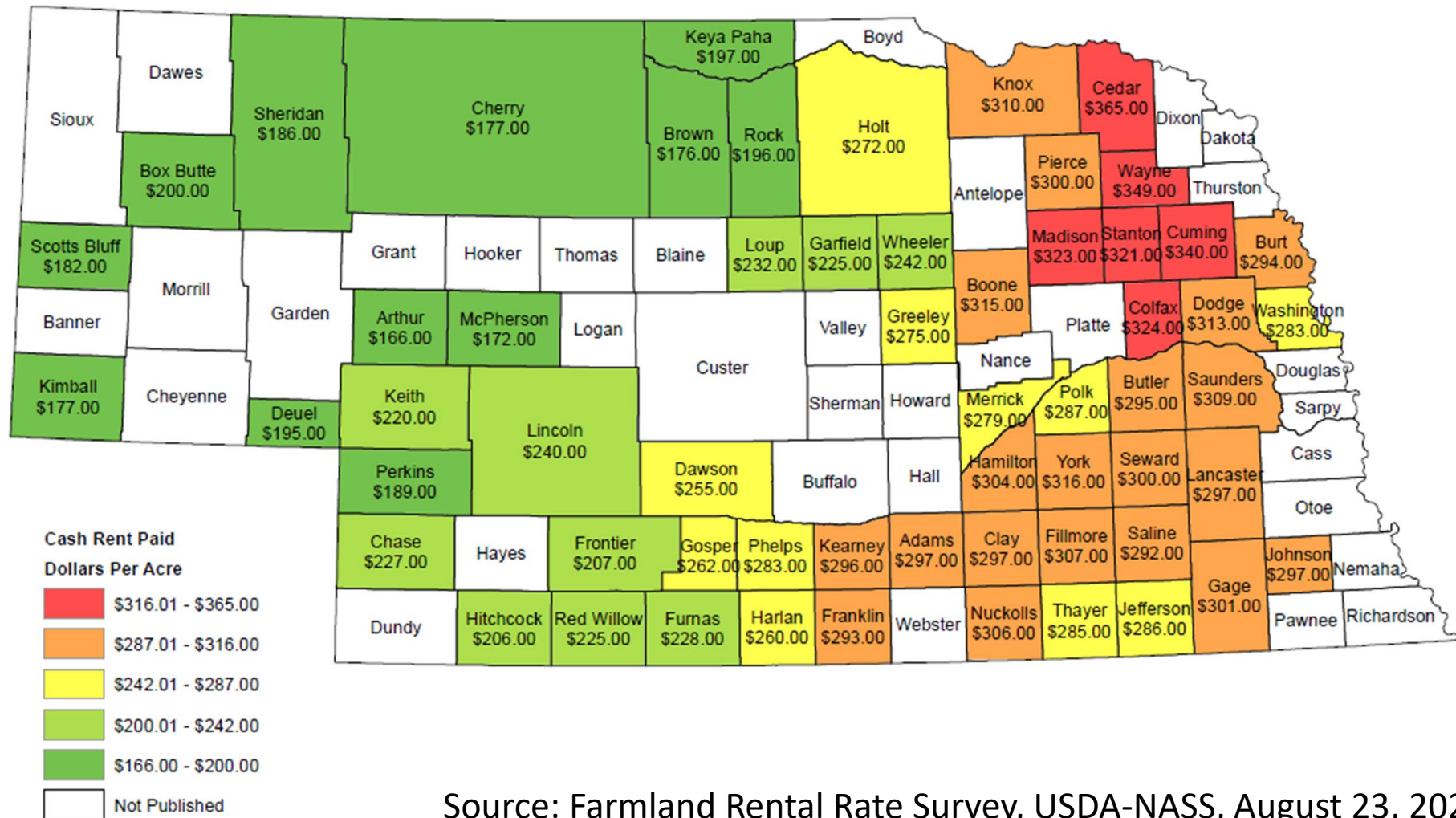
Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Center Pivot Irrigated Cropland Rental Rate Ranges – 2024 Season



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Irrigated Cropland Rental Rates – 2024 Season



Source: Farmland Rental Rate Survey, USDA-NASS, August 23, 2024

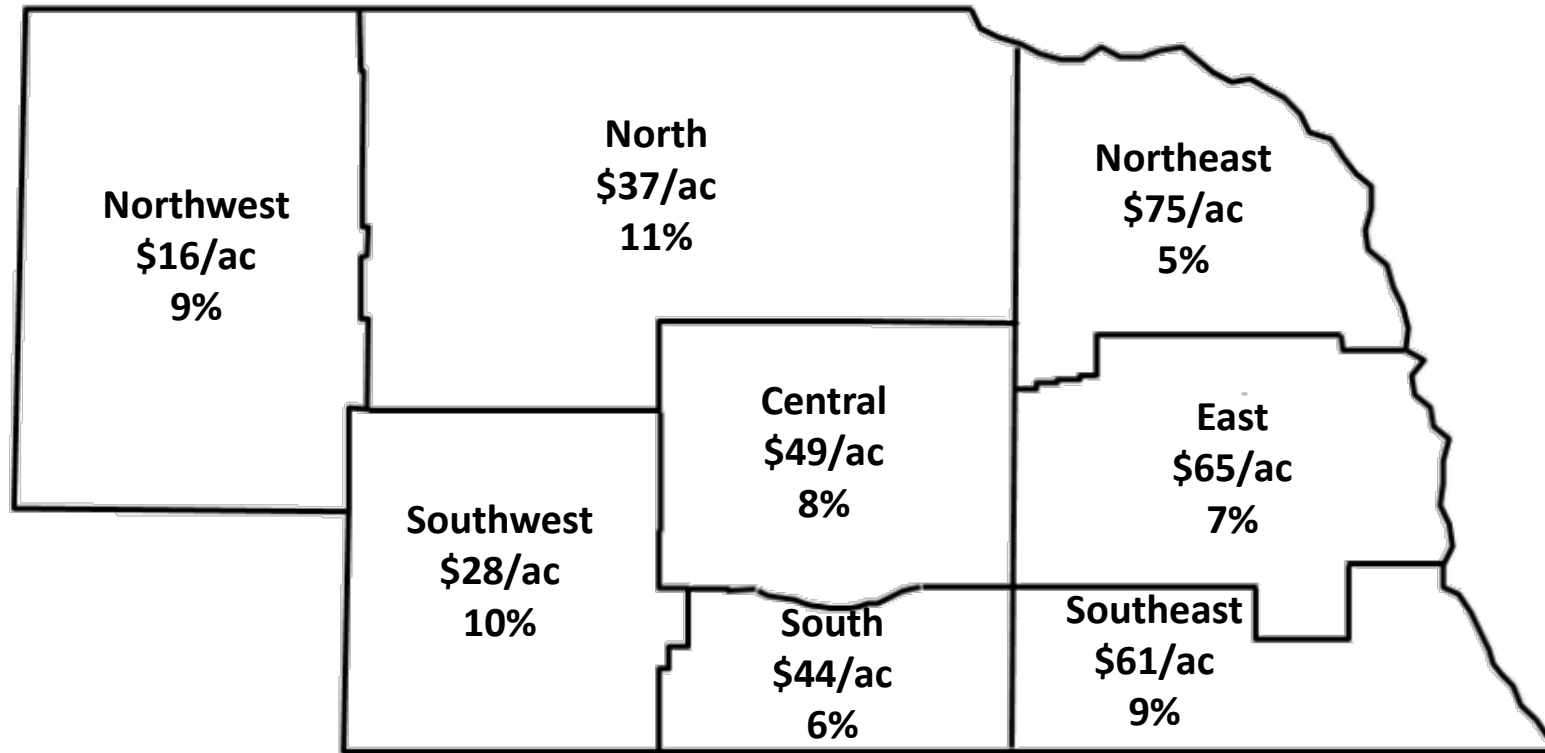
Nebraska Cash Rental Rates

Pasture and Cow-Calf heads

Rental Rates

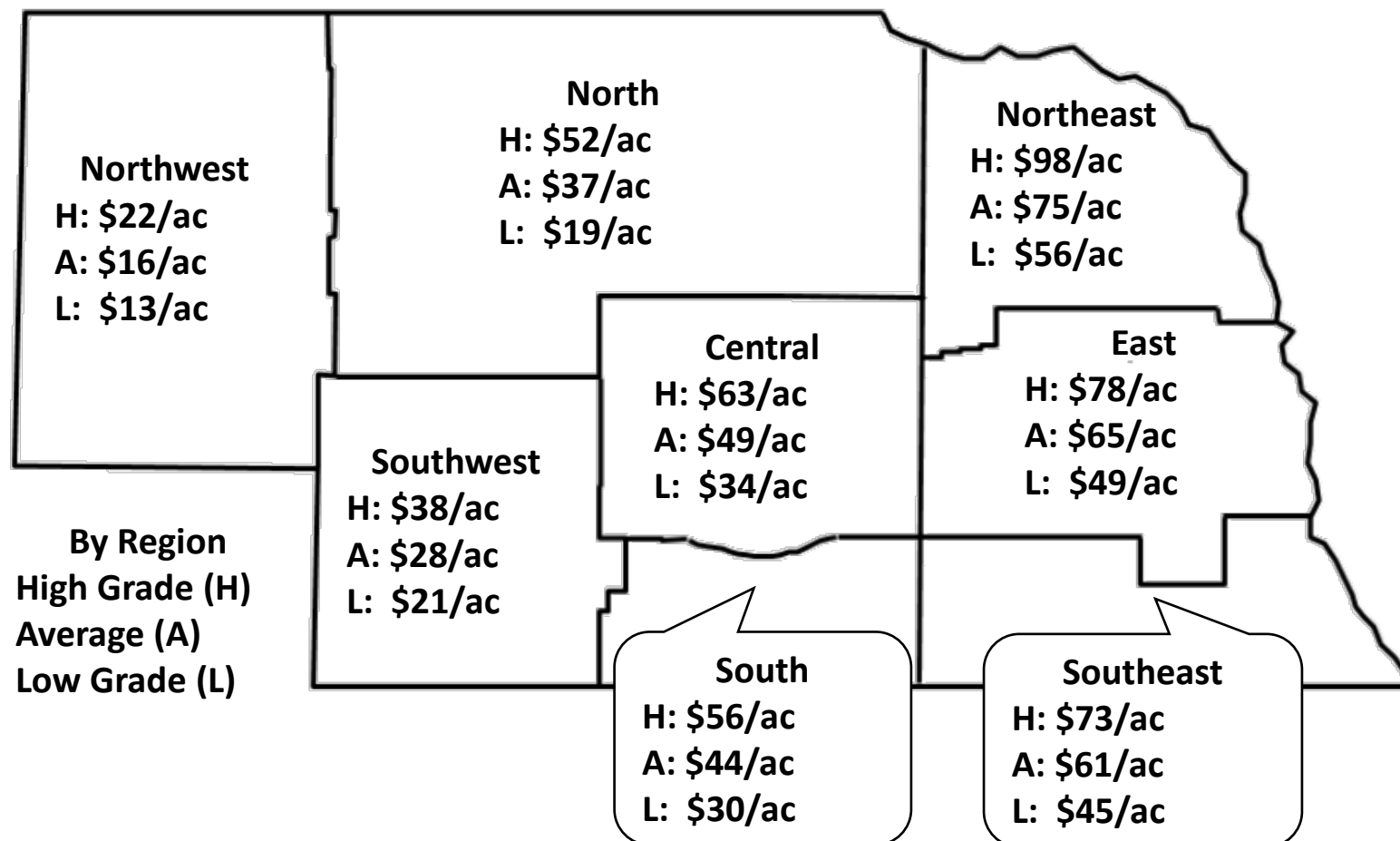


Pasture per Acre Average Rental Rates – 2024 Season



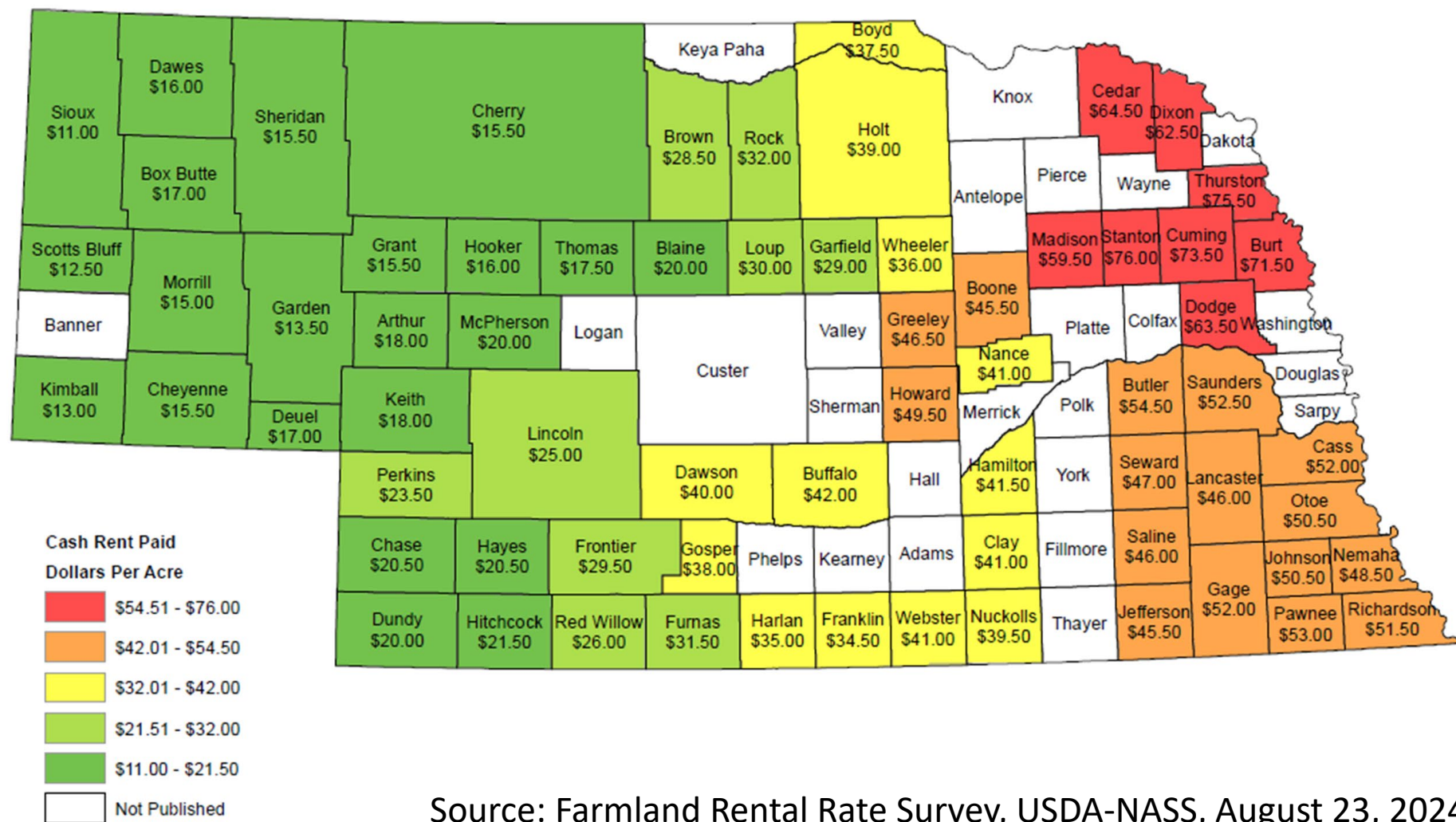
Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Pasture per Acre Rental Rate Ranges – 2024 Season



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

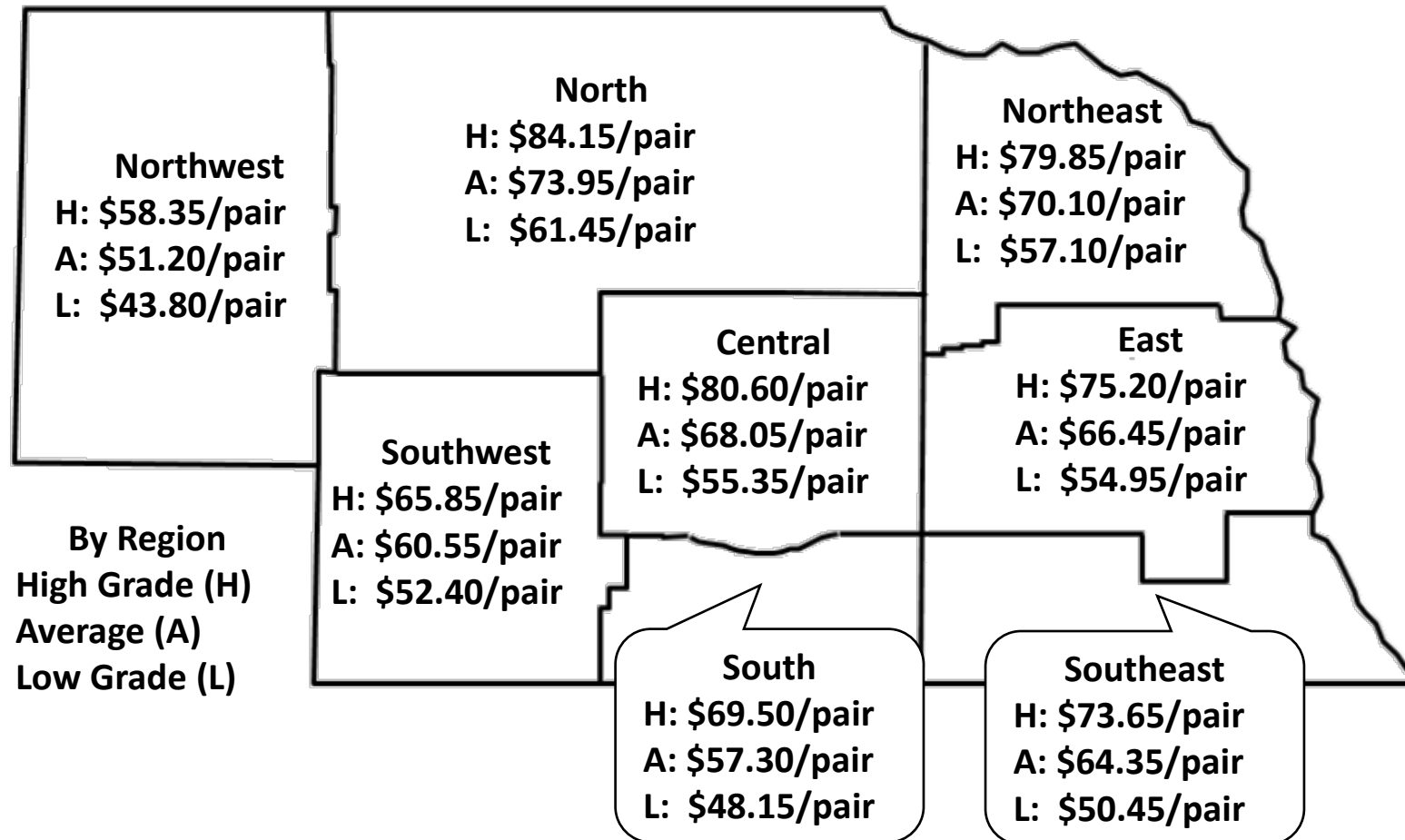
Pasture per Acre Rental Rates – 2024 Season



Source: Farmland Rental Rate Survey, USDA-NASS, August 23, 2024

Cow-Calf Pairs

Rental Rate Ranges – 2024 Monthly



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Agricultural Land Leases

Trends in Lease Arrangements for 2024



Estimating Cash Rental Rates by Adjusting Survey Data

- Land rental rate survey data:
 - Evaluate available cash rental survey data to establish a baseline in the landlord and tenant negotiation process.
- Average yields:

County	Value	Farm	Value
County Rental Rate	\$180/ac.	County Rent/Bushel	\$1.34/bu.
Corn Yield	<u>134 bu./ac.</u>	APH Yield	<u>x 119 bu./ac.</u>
County Rent/Bushel	\$1.34/bu.	Farm Level Rent	\$159.85/ac.

Cash Equivalent From Crop Share

- Rent paid to landlord by tenant based off owner's share of net returns per acre.
 - Example 50/50 split:

Value	Corn - March 2025	Corn - July 2025	Corn - Nov. 2025
Yield (50% share)	80 bu./ac.	80 bu./ac.	80 bu./ac.
Price/bushel	<u>x \$4.46/bu.</u>	<u>x \$3.92/bu.</u>	<u>x \$4.27/bu.</u>
Income	\$356.80/ac.	\$313.60/ac.	\$341.60/ac.
Owner Expenses*	<u>-\$165.00/ac.</u>	<u>-\$165.00/ac.</u>	<u>-\$165.00/ac.</u>
Net Return to Owner (Effective Rent)	\$191.80/ac.	\$148.60/ac.	\$176.60/ac.

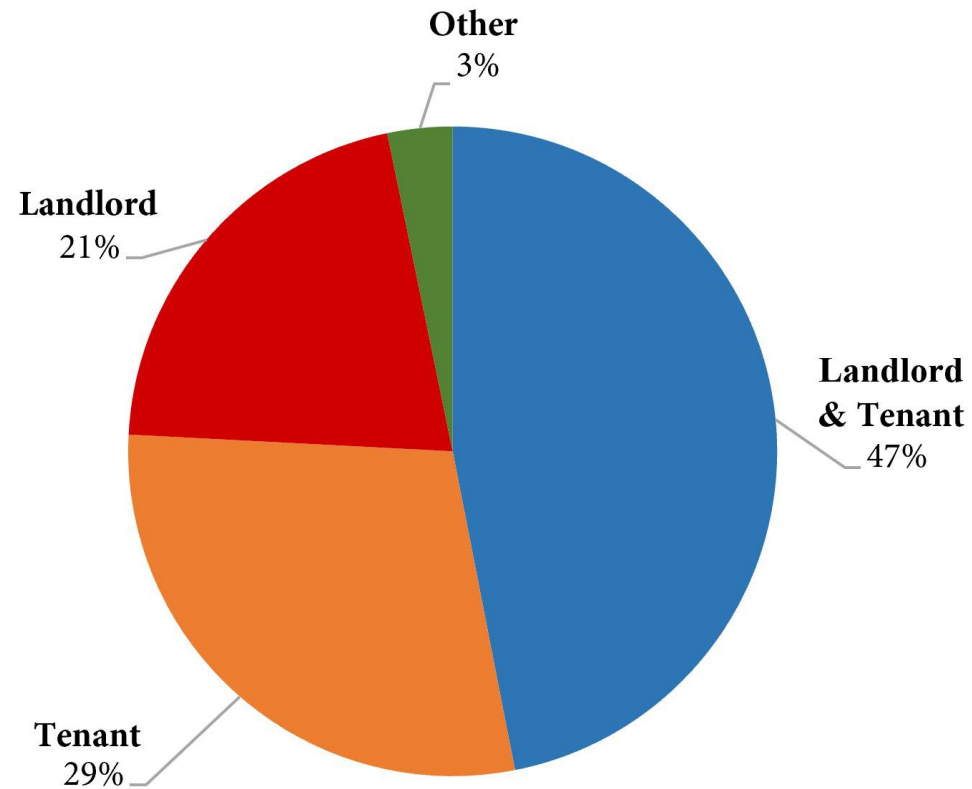
Cash Equivalent From Hay Share

- Rent paid to landlord by tenant based off owner's share of net returns per acre.
 - Example 33/67 & 50/50 split:

Value	33:67 Hayland Share	50:50 Hayland Share
Yield (share)	0.5 ton/ac.	0.75 tons/ac.
Price/ton	<u>x \$100/ton</u>	<u>x \$100/ton</u>
Income	\$49.50/ac.	\$75.00/ac.
Owner Expenses*	<u>-\$0.00/ac.</u>	<u>-\$25.00/ac.</u>
Net Return to Owner (Effective Rent)	\$49.50/ac.	\$50.00/ac.

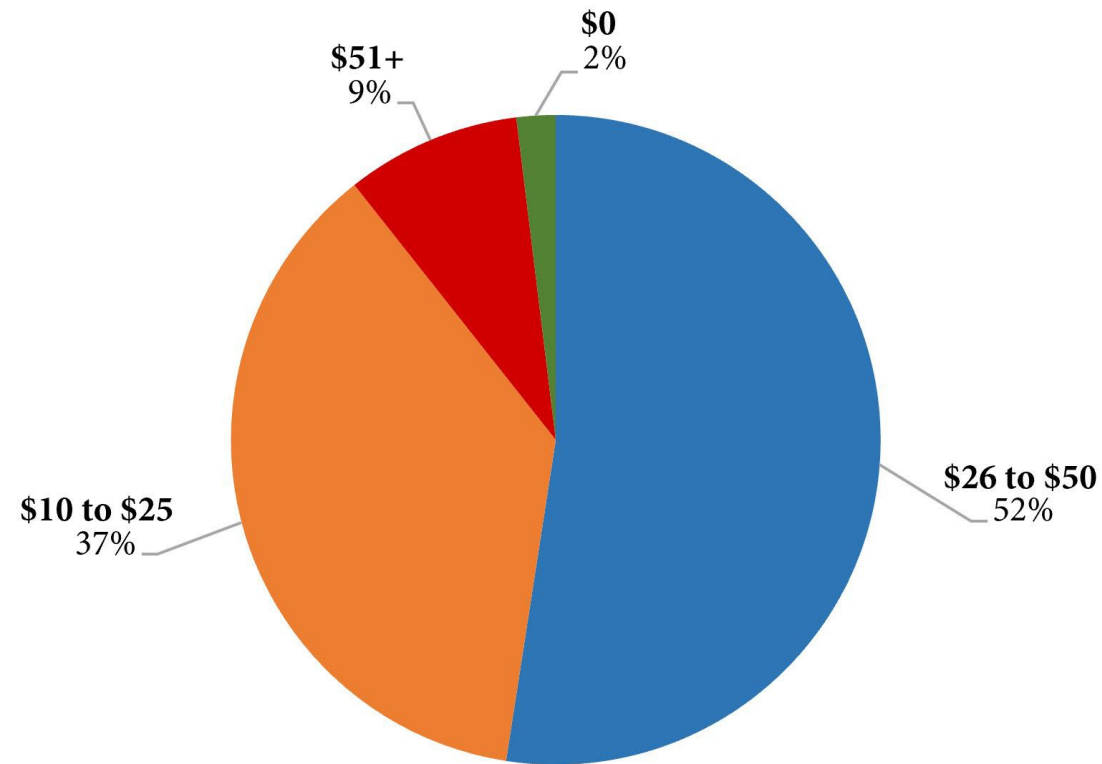
*In this example, the owner does not pay any expenses for the 33/67 hay share. Also, the owner pays \$25 per acre in fertilizer and herbicide expenses for the 50/50 hay share.

Entity Responsible for Maintaining Irrigation System as Part of Cash Lease in Nebraska



Source: Nebraska Farm Real Estate Market Development Survey, 2023.

Discount on Cash Rent per Acre When Tenant Owns Pivot for Irrigation System in Nebraska



Source: Nebraska Farm Real Estate Market Development Survey, 2023.

Discount on Cash Rent per Acre When Tenant Owns Power Unit for Irrigation System in Nebraska

Power Unit	Discount per Acre			
	\$0	\$1 to \$9	\$10 to \$20	\$20+
----- Percent of Respondents -----				
System Type				
Diesel Engine	15	28	45	12
Propane or Natural Gas Engine	21	37	33	9
Electrical Motor	18	31	35	16

Source: Nebraska Farm Real Estate Market Development Survey, 2023.

Cover Crop Practices for Cropland and Operators in 2022, by Agricultural Statistics District in NE^a

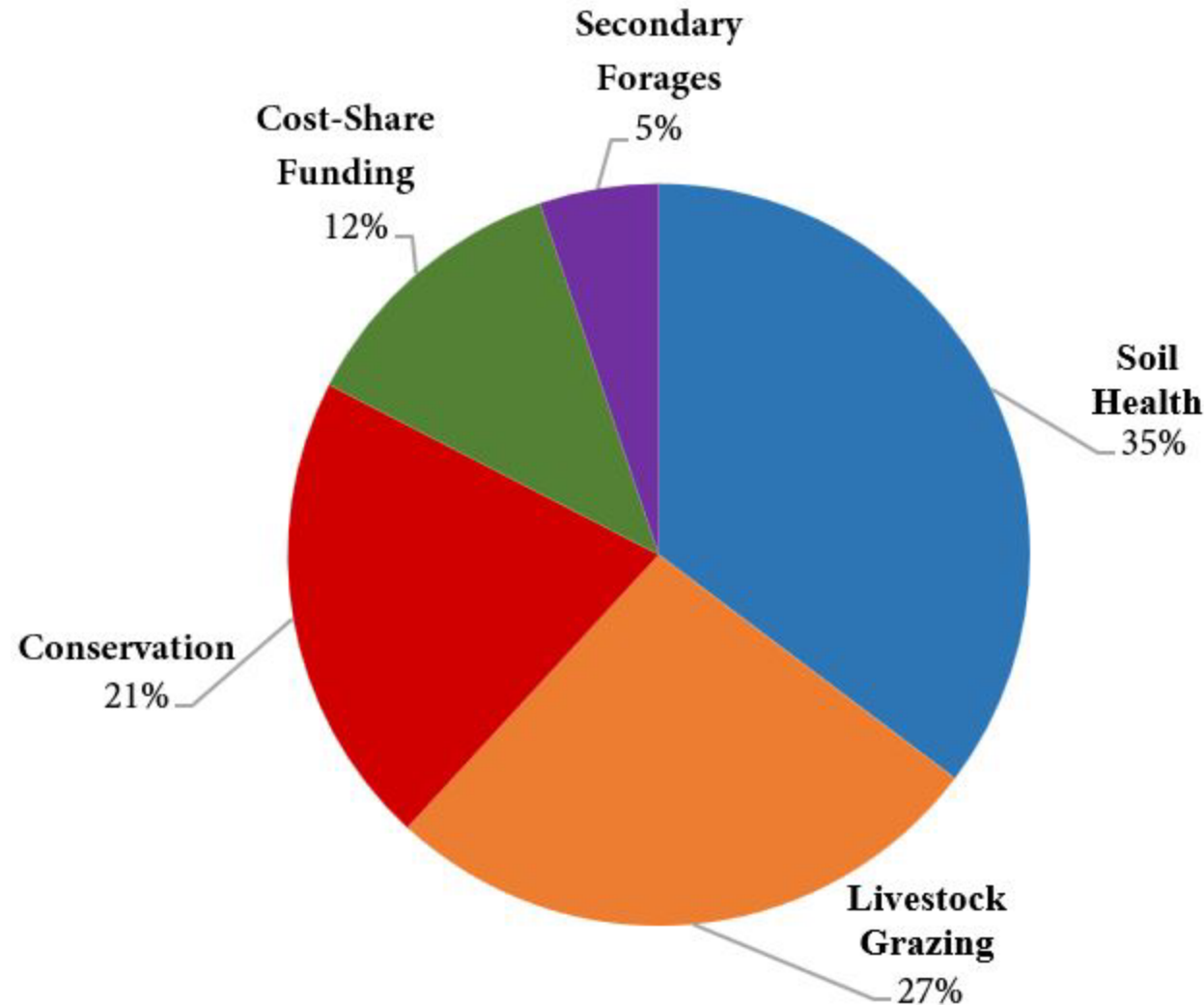
Agricultural Statistics District	Planted Acres		Cropland Acres Planted to Cover Crops	Number of Operators		Cropland Operators Planted Cover Crops
	Cover Crops	Cropland		Planted Cover Crops	Planted Cropland	
	----- Acres -----		--- Percent ---	----- Number -----		--- Percent ---
Northwest	53,069	2,912,029	1.8	308	3,597	8.6
North	92,422	1,885,073	4.9	356	2,551	14.0
Northeast	143,007	3,290,183	4.3	848	6,434	13.2
Central	113,184	2,020,548	5.6	569	3,594	15.8
East	209,926	3,904,590	5.4	1,097	9,386	11.7
Southwest	100,165	2,357,491	4.2	292	2,522	11.6
South	81,805	1,783,575	4.6	348	2,212	15.7
Southeast	131,466	3,064,030	4.3	659	6,055	10.9
State ^b	925,686	21,217,519	4.4	4,477	36,351	12.3

Source: ^a 2022 Census of Agriculture, National Agricultural Statistical Service, USDA.

^b District values may not sum to state totals due to county-level disclosure.

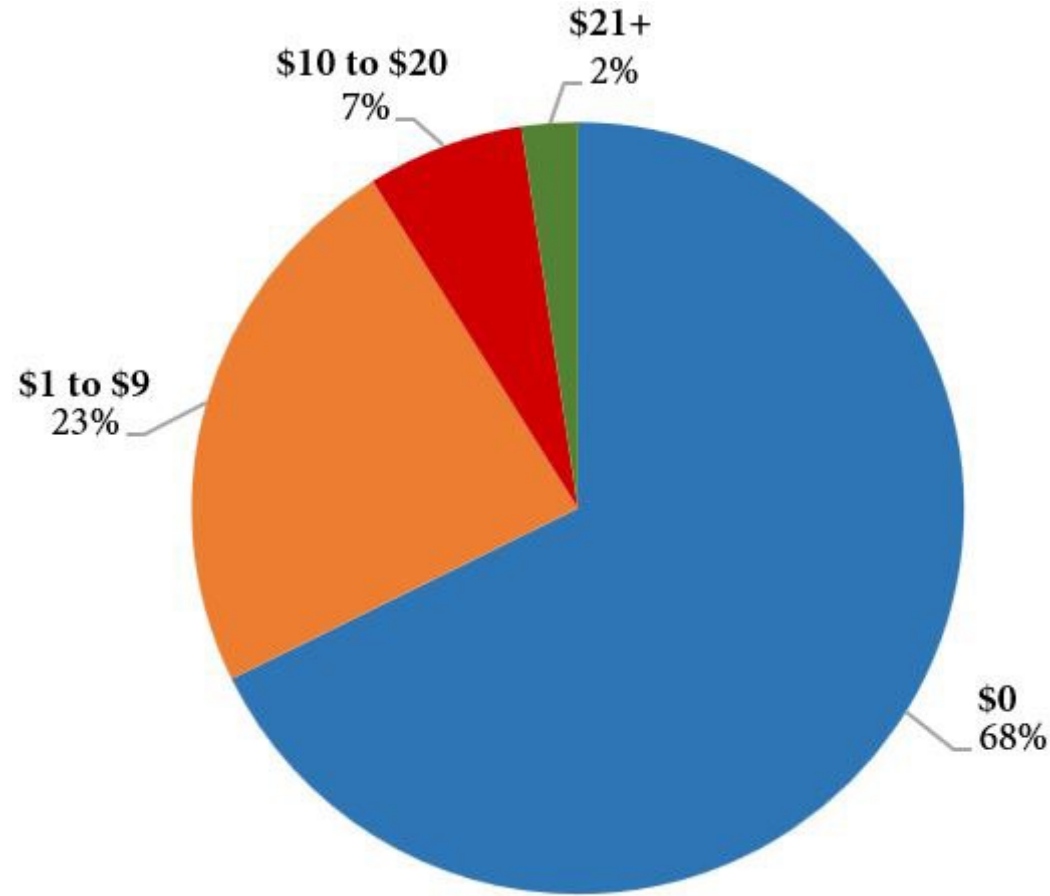


Motivation for Planting Cover Crops on Cropland in Nebraska



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Rental Discount in Dollars per Acre on Land Lease When Tenant Plants Cover Crops in Nebraska



Source: Nebraska Farm Real Estate Market Development Survey, 2024.

Cropland Lease Termination

- Handshake lease agreements (verbal) follow the following guidelines
 - Termination notice must be given by September 1 (previous year)
 - Handshake leases for farmland start on March 1
- Fill-in-the blank written leases may be found at: www.aglease101.org

Cash Farm Lease	NCFMEC-01A
<p>For additional information see NCFMEC-01 (Fixed and Flexible Cash Rental Arrangements For Your Farm). This form can provide the landowner and operator with a guide for developing an agreement to fit their individual situation. This form is not intended to take the place of legal advice pertaining to contractual relationships between the two parties. Because of the possibility that an operating agreement may be legally considered a partnership under certain conditions, seeking proper legal advice is recommended when developing such an agreement.</p>	
This lease entered into this _____ day of _____, 20____, between	
_____, owner, of _____	_____
	Address _____
_____, spouse, of _____	_____
	Address _____
hereafter known as "the owner," and	
_____, operator, of _____	_____
	Address _____
_____, spouse, of _____	_____
	Address _____
hereafter known as "the operator."	
I. Property Description	
The landowner hereby leases to the operator, to occupy and use for agriculture and related purposes, the following described property:	

consisting of approximately _____ acres situated in _____ County (Counties), _____ (State)	
II. General Terms of Lease	
A. Time period covered. The provisions of this agreement shall be in effect for _____ year(s), commencing on the _____ day of _____, 20____. This lease shall continue in effect from year to year thereafter unless written notice of termination is given by either party to the other at least _____ days prior to expiration of this lease or the end of any year of continuation.	
B. Review of lease. A written request is required for general review of the lease or for consideration of proposed changes by either party, at least _____ days prior to the final date for giving notice to terminate the lease as specified in II-A.	
C. Amendments and alterations. Amendments and alterations to this lease shall be in writing and shall be signed by both the owner and operator.	
D. No partnership intended. It is particularly understood and agreed that this lease shall not be deemed to be, nor intended to give rise to, a partnership relation.	

Pasture and Grazing Land Leases

- Pasture or grazing land typically have a 5 month lease
 - Typically, May to October or June to November
 - Notice of termination is not specifically required for a handshake agreement
- Lease ends each year, so the termination notice is not necessary (still good to communicate with other party)

Fillable PDF Leases – AgLease101.org

Ag Lease 101








[Home](#) [Document Library](#) [About Ag Lease 101](#)

Ag Lease 101







Click Document Library

Lease Publications


Lease Publications

-  [Fixed and Flexible Cash Rental Arrangements for Your Farm](#)
(NCFMEC-01)
-  [Crop Share Rental Arrangements For Your Farm](#)
(NCFMEC-02)
-  [Pasture Rental Arrangements For Your Farm](#)
(NCFMEC-03)
-  [Rental Agreements For Farm Buildings and Livestock Facilities](#)
(NCFMEC-04)
-  [Purchasing and Leasing Farm Equipment](#)
(NCFMEC-05)
-  [Beef Cow Rental Arrangements For Your Farm](#)
(NCFMEC-06)
-  [Farm Building Rental Rate Survey](#)
(NCFMEC-07)

Lease Forms

-  [Cash Farm Lease](#)
(NCFMEC-01A)
-  [Crop Share Farm Lease Cash Farm Lease](#)
(NCFMEC-02A)
-  [Pasture Lease](#)
(NCFMEC-03A)
-  [Farm Building or Livestock Facility Lease](#)
(NCFMEC-04A)
-  [Farm Machinery Lease for Non-commercial Transactions](#)
(NCFMEC-05A)
-  [Livestock Rental Lease](#)
(NCFMEC-06A)

Fillable PDF Forms



CENTER FOR AGRICULTURAL PROFITABILITY

Upcoming Landlord & Tenant Cash Rent Meetings

<https://cap.unl.edu/land25>



**2025 LANDLORD/TENANT
CASH RENT WORKSHOP**

CAP.UNL.EDU/LAND25

CENTER FOR AGRICULTURAL PROFITABILITY
Institute of Agriculture and Natural Resources

USDA National Institute of Food and Agriculture
U.S. DEPARTMENT OF AGRICULTURE

**NORTH CENTRAL
EXTENSION
RISK
MANAGEMENT
EDUCATION**

NEBRASKA EXTENSION

This material is based upon work supported by USDA/NIFA under Award Number 2023-70027-40444.

2024-2025 Landlord/Tenant Cash Rent Workshops

Link: *<https://cap.unl.edu/land25>*

- **Nov. 18 in North Platte:** 11-4 p.m. CT West Central Research, Extension & Education Center, 308-532-2683
- **Nov. 19 in Kearney:** 9 a.m.-noon CT at the office of Nebraska Extension in Buffalo County, 308-236-1235
- **Dec. 3 in York:** 10:30 a.m.-2 p.m. CT at the York County 4-H Building, 402-362-5508
- **Dec. 4 in Alliance:** 9:30 a.m.-12:30 p.m. MT at the office of Nebraska Extension in Box Butte County, 308-762-5616



2024-2025 Landlord/Tenant Cash Rent Workshops

Link: *<https://cap.unl.edu/land25>*

- **Dec. 5 in Norfolk:** 10:30 a.m.-2 p.m. CT at the office of Nebraska Extension in Madison County, 402-370-4040
- **Dec. 5 in Sidney:** 9:30 a.m.-12:30 p.m. MT at the South Platte NRD office, 308-254-4455
- **Dec. 10 in Mead:** 10:30 a.m.-2 p.m. CT at the office of Nebraska Extension in Saunders County, 402-624-8030
- **Dec. 11 in O'Neill:** 1-4 p.m. CT at the office of Nebraska Extension in Holt County, 402-336-2760



2024-2025 Landlord/Tenant Cash Rent Workshops

Link: *<https://cap.unl.edu/land25>*

- **Dec. 12 in Wilber:** 1-4 p.m. CT at the office of Nebraska Extension in Saline County, 402-821-2151
- **Dec. 17 in Dakota City:** 10:30 a.m.-2 p.m. CT at the office of Nebraska Extension in Dakota County, 402-987-2140



Upcoming Webinar: *Ag Land Mgt. Quarterly*

Mon. November 18, 2024 at 12:00 PM CT

Topics

- USDA Land Management Highlights
 - 2024 county-level cash rental rate estimates
 - ARC & PLC Farm Program Payments
- Landlord & Tenant Communication
 - Harvest season reports and closing out the lease
 - Considerations for leases in 2025
- Ask an Expert
 - Review of submitted questions
 - Upcoming land management workshops and publications



Questions?

Jim Jansen
Agricultural Economist
jjansen4@unl.edu
402-261-7572

